

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

WEL NETWORKS LIMITED

Prepared by: Rebecca Elliot

Date audit commenced: 19 July 2019

Date audit report completed: 3 September 2019

Audit report due date: 15-Sep-19

TABLE OF CONTENTS

Executive summary	4
Audit summary	5
Non-compliances	5
Recommendations	6
Issues 6	
1. Administrative	7
1.1. Exemptions from Obligations to Comply with Code (Section 11)	7
1.2. Structure of Organisation	7
1.3. Persons involved in this audit	8
1.4. Use of contractors (Clause 11.2A)	8
1.5. Supplier list	9
1.6. Hardware and Software	9
1.7. Breaches or Breach Allegations	10
1.8. ICP and NSP Data	11
1.9. Authorisation Received	12
1.10. Scope of Audit	12
1.11. Summary of previous audit	13
2. Operational Infrastructure	14
2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1)) ..	14
2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2))	16
3. Creation of ICPs	17
3.1. Distributors must create ICPs (Clause 11.4)	17
3.2. Participants may request distributors to create ICPs (Clause 11.5(3))	17
3.3. Provision of ICP Information to the registry manager (Clause 11.7)	18
3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule 11.1)	18
3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule 11.1)	20
3.6. Connection of ICP that is not an NSP (Clause 11.17)	21
3.7. Connection of ICP that is not an NSP (Clause 10.31)	23
3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A)	24
3.9. Connection of NSP that is not point of connection to grid (Clause 10.30)	25
3.10. Temporary electrical connection of NSP that is not point of connection to grid (Clause 10.30(A))	25
3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1)	26
3.12. Loss category (Clause 6 Schedule 11.1)	26
3.13. Management of “new” status (Clause 13 Schedule 11.1)	26
3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1)	27
3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1)	28
3.16. Electrical connection of a point of connection (Clause 10.33A)	28
4. Maintenance of registry information	29
4.1. Changes to registry information (Clause 8 Schedule 11.1)	29
4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1)	32
4.3. Customer queries about ICP (Clause 11.31)	33

4.4.	ICP location address (Clause 2 Schedule 11.1)	33
4.5.	Electrically disconnecting an ICP (Clause 3 Schedule 11.1)	34
4.6.	Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1)	34
4.7.	Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1)	41
4.8.	GPS coordinates (Clause 7(8) and (9) Schedule 11.1)	42
4.9.	Management of “ready” status (Clause 14 Schedule 11.1)	42
4.10.	Management of “distributor” status (Clause 16 Schedule 11.1)	43
4.11.	Management of “decommissioned” status (Clause 20 Schedule 11.1)	44
4.12.	Maintenance of price category codes (Clause 23 Schedule 11.1).....	45
5.	Creation and maintenance of loss factors	46
5.1.	Updating table of loss category codes (Clause 21 Schedule 11.1)	46
5.2.	Updating loss factors (Clause 22 Schedule 11.1)	46
6.	Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs).....	47
6.1.	Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1)	47
6.2.	Provision of NSP information (Clause 26(1) and (2) Schedule 11.1)	47
6.3.	Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1)	48
6.4.	Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)	48
6.5.	Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1)	49
6.6.	Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1)	49
6.7.	Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)	49
6.8.	Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1) and 10.25(3))	50
6.9.	Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2))	51
6.10.	Obligations concerning change in network owner (Clause 29 Schedule 11.1)	51
6.11.	Change of MEP for embedded network gate meter (Clause 10.22(1)(b))	52
6.12.	Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)	52
6.13.	Transfer of ICPs for embedded network (Clause 6 Schedule 11.2).....	53
7.	Maintenance of shared unmetered load	54
7.1.	Notification of shared unmetered load ICP list (Clause 11.14(2) and (4))	54
7.2.	Changes to shared unmetered load (Clause 11.14(5)).....	54
8.	Calculation of loss factors	55
8.1.	Creation of loss factors (Clause 11.2).....	55
	Conclusion	56
	Participant response	57

EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **WEL Networks Ltd (WEL)** to encompass the Electricity Industry Participation Code requirement for an audit as required by clause 11.10 of part 11. The audit was carried out at WEL's premises in Hamilton on August 12th, 2019.

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

WEL generally have robust processes in place to manage the relevant processes. The last audit identified that the ICP database does not allow the backdating of events more than three business days. Any updates outside of this period must be updated directly in the registry. This issue is still present and is affecting the accuracy of the initial electrical population, the installation date of distributed generation and the effective date of NSP changes. WEL are aware of this issue and already have a project underway to address this.

This audit found six non-compliances and makes two recommendations. The indicative audit frequency table indicates the next audit should be in 12 months. I have considered this in conjunction with WEL's responses and recommend that the next audit be in 18 months' time as actions to address non-compliances are clearly identified and two of the six non-compliances have been cleared.

I thank Steven and Andrew for their assistance in completing the audit.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Registry information not complete and accurate in all instances.	Moderate	Low	2	Identified
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	Registry not updated prior to commencement of trading for one ICP.	Strong	Low	1	Cleared
Timeliness of provision of initial electrical connection	3.5	7(2A) of Schedule 11.1	A small number of initial electrical connection dates updated greater than ten days from the event date. Incorrect application of event effective date for initial electrical connection updates.	Strong	Low	1	Identified
Connection of ICP that is not an NSP	3.6	11.17	One ICP connected without a trader having accepted responsibility for it on the registry.	Strong	Low	1	Cleared
Changes to registry information	4.1	8 of Schedule 11.1	Registry event updates backdated greater than three days.	Moderate	Low	2	Identified
Provide information to the registry	4.6	7 (1) (m)&(p) of Schedule 11.1	Distributed generation details incorrect or missing. Small number of ICPs with an incorrect initial electrical connection date populated. 11 LE ICPs with the incorrect NSP dedication flag.	Moderate	Low	2	Identified
Future Risk Rating						9	

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Indicative Next Audit Frequency						12 months	

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

RECOMMENDATIONS

Subject	Section	Recommendation	Next action
Provide complete and accurate information	2.1	Ensure that registry discrepancy reporting identifies all variances and investigate these.	Identified
Decommissioning of ICPs	4.1	Confirm with the trader if ICP 0005710055WEE58 is ready for decommissioning or not.	Identified
Distributor to provide ICP information to the registry.	4.6	Investigate the 47 private lights identified from the Hamilton City Council RAMM database to determine how these lights will be reconciled.	Investigating

ISSUES

Subject	Section	Issue	Description
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

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

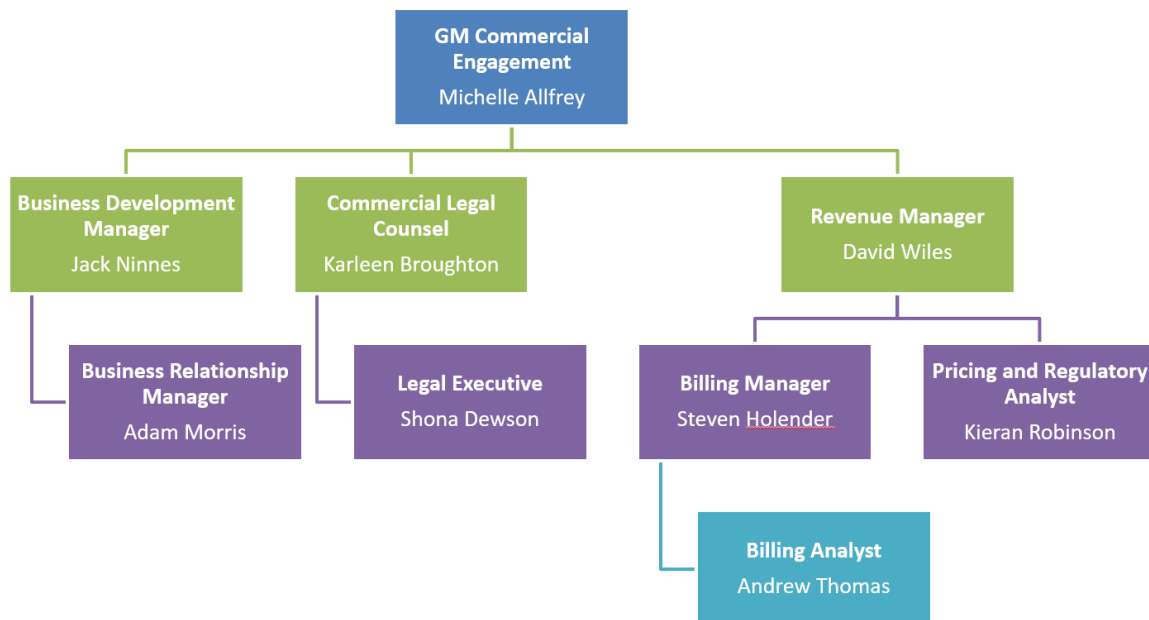
Audit commentary

WEL has no exemptions in place that are relevant to the scope of this audit.

1.2. Structure of Organisation

WEL provided a copy of the relevant part of the organisation chart:

Commercial Engagement



1.3. Persons involved in this audit

Auditor:

Rebecca Elliot

Veritek Limited

Electricity Authority Approved Auditor

WEL personnel assisting in this audit were:

Name	Title
Andrew Thomas	Billing Analyst
Steven Holender	Billing Manager
David Wiles	Revenue Manager

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

WEL approves field contractors to conduct connection related activities. I checked WEL's approach to the management of contractors.

Audit commentary

WEL has provided the list below of sub-contractors authorised to perform livening activities on their network.

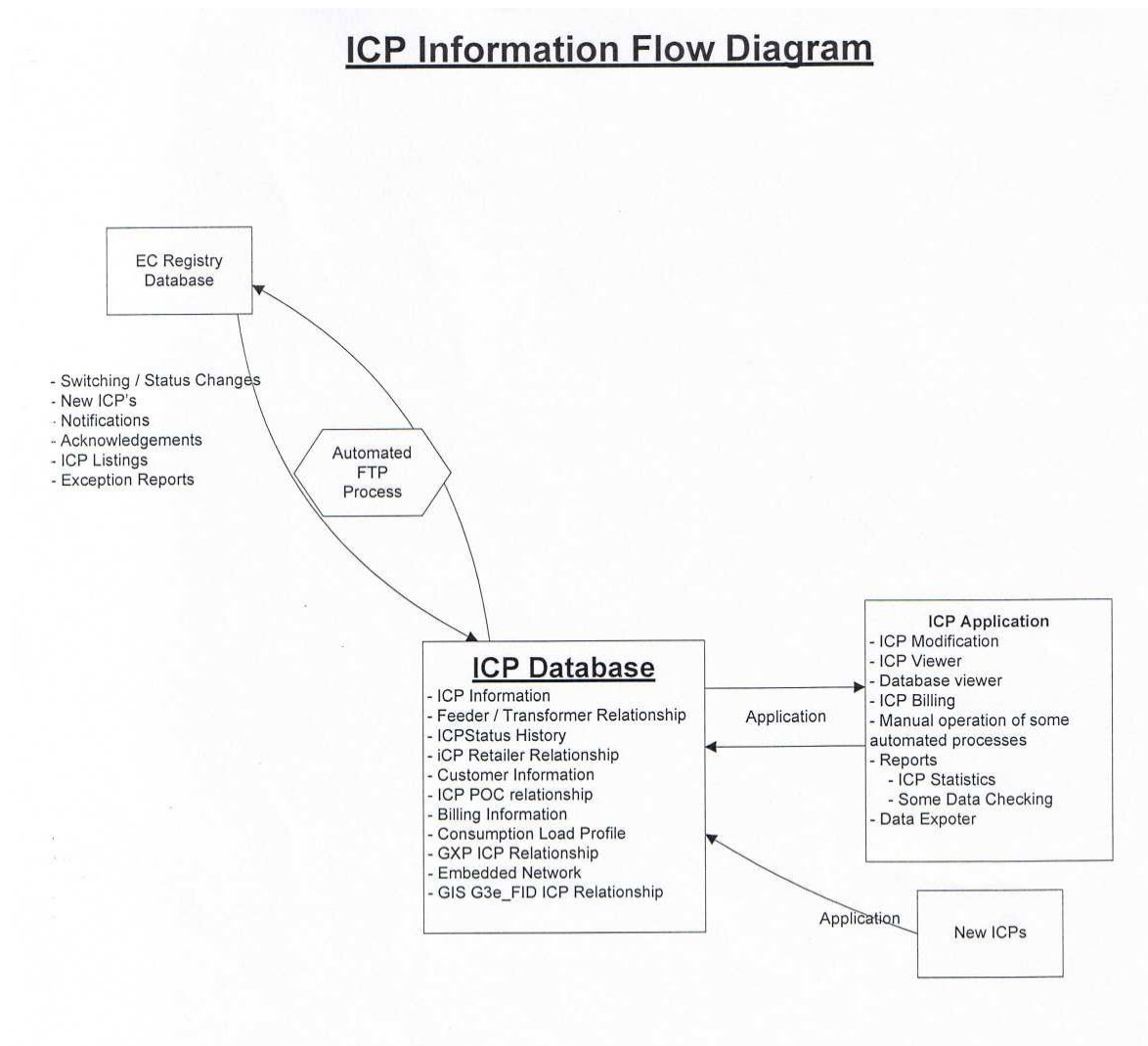
Region	Contractor
Hamilton	Hank Ollington Able Electrical Wells Brian Hobern
Auckland	Selwyn Electrical Ltd Pat Carmody

1.5. Supplier list

WEL has provided the list in **section 1.4** of sub-contractors authorised to perform livening activities on their network.

1.6. Hardware and Software

WEL provided the following diagram that details hardware and software used in the processes to be audited. There have been no changes made during the audit period.



1.7. Breaches or Breach Allegations

WEL has two breach allegations relevant to this audit recorded by the Electricity Authority during the audit period.

Ref	Breach Description	Clause	Date	Outcome
1807WELN1	Powershop alleged that WEL failed to provide information about generally available retail tariff plans.	Part 11 clause 11.32 (g)	3/10/18	No breach.
1905WELN1	<p>Clause 10.12 – interference of a metering installation</p> <p>WEL networks directly or indirectly interfered with the metering installation, which resulted in the metering at ICP 0008803342WEFC3 to no longer record the electricity being conveyed to ICP 0008803342WEFC3.</p> <p>Clause 10.31B / 10.33A – electrical connection of an ICP</p> <p>In order to reconfigure the network, WEL networks would have needed to electrically disconnect ICP 0000040548WEC86 and ICP 0000037884WE3A6.</p> <p>Clause 10.31B states that WEL networks can only electrically connect an ICP if it is SUML.</p> <p>Clause 10.33A states that no one but the retailer can electrically connect an ICP for any other reason.</p> <p>Clause 3 of Schedule 11.1 – electrically disconnecting ICPs</p> <p>Each ICP (created after 7 October 2002) must be able to be disconnected without electrically disconnecting another ICP.</p> <p>ICP 0008803342WEFC3 can no longer be disconnected without also disconnecting the other two ICPs.</p>	<p>Clause 10.12</p> <p>Interference of a metering installation, Clause 10.31B / 10.33A</p> <p>Electrical connection of an ICP, Clause 3 of Schedule 11.1</p> <p>Electrically disconnecting ICPs</p>	27/06/19	No breach

1.8. ICP and NSP Data

The NSP mapping table was examined:

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of active ICPs
WAIK	BRI0111	BRICK STREET	HEP0331	UNET	BRI0111WAIKE	E	1/05/2008	18
WAIK	FLG0111	FLAGSHIP	WIR0331	VECT	FLG0111WAIKE	E	1/05/2008	3
WAIK	HAM0111	HAMILTON			WAIKATOWAIGK	G	1/05/2008	10,250
WAIK	HAM0331	HAMILTON			WAIKATOWAIGK	G	1/05/2008	49,990
WAIK	HLY0331	Huntly			WAIKATOWAIGK	G	10/10/2008	8.970
WAIK	HMB0111	HALF MOON BAY	PAK0331	VECT	HMB0111WAIKE	E	1/05/2008	59
WAIK	HUL0111	HULME PLACE	HEP0331	UNET	HUL0111WAIKE	E	1/05/2008	31
WAIK	JEF0111	JEFFS ROAD	OTA0221	VECT	JEF0111WAIKE	E	1/05/2008	883
WAIK	KIR0111	KIRKDALE	TAK0331	VECT	KIR0111WAIKE	E	1/05/2008	266
WAIK	MTG0111	MANGATANGI	HLY0331	WAIK	WAIKATOWAIGK	I	1/08/2017	0
WAIK	OAK0111	OAKLANDS	CBG0111	WAIP	OAK0111WAIKE	E	1/05/2008	178
WAIK	POR0111	Porchester Road	TAK0331	VECT	POR0111WAIKE	E	10/07/2009	277
WAIK	RYN0111	RYAN PLACE	WIR0331	VECT	RYN0111WAIKE	E	1/05/2008	71
WAIK	STG0111	SOUTHGATE	WEL0331	UNET	STG0111WAIKE	E	1/05/2008	110
WAIK	TWH0331	TE KOWHAI			WAIKATOWAIGK	G	1/05/2008	21,807

The MTG0111 has a new start date as the meter was recertified during the audit period and this reset the start date. This is not a new interconnection point. WEL has not created any new embedded networks during the audit period.

There are ten embedded networks connected to the WEL network. The details for these are shown in the table below:

Distributor	NSP POC	Description	Parent POC	Balancing Area	Network Type	Start Date
DMFL	WCW0011	WESTFEILD CHARTWELL	HAM0331	WCW0011DMFLE	E	1/09/2016
DMFL	WCW0111	WESTFEILD CHARTWELL	HAM0331	WCW0111DMFLE	E	1/09/2016
KIPT	KCH0011	KIWI CENTREPLACE WEST	HAM0331	KCH0011KIPTTE	E	1/11/2012
KIPT	KCH0012	KIWI CENTREPLACE EAST	HAM0331	KCH0012KIPTTE	E	1/11/2012
KIPT	KCH0014	KIWI CENTREPLACE TOWER	HAM0331	KCH0014KIPTTE	E	1/11/2012
NZAL	NAT0011	500 Victoria Street Hamilton	HAM0331	NAT0011NZALE	E	1/02/2018
NZAL	NWH0011	WEL House	HAM0331	NWH0011NZALE	E	1/04/2010
TENC	KDH0011	10 WORLEY PL	HAM0331	KDH0011TENCE	E	1/06/2018
TENC	TAW0011	TE AWA SHOPPING CENTRE	TWH0331	TAW0011TENCE	E	1/11/2014
TENC	THH0011	21 Home Straight Te Rapa	TWH0331	THH0011TENCE	E	1/10/2018

Two new embedded networks (NAT0011 and THH0011) have been connected to the WEL network during the audit period. These are discussed in **section 4.10**.

The list file as at 31/5/19 was examined and found:

Status	Number of ICPs 2019	Number of ICPs 2017	Number of ICPs 2016
New (999,0)	0	0	0
Ready (0,0)	127	115	123
Active (2,0)	92,913	90,205	88,537
Distributor (888,0)	23	21	21
Inactive – new connection in progress (1,12)	182	176	102
Inactive – electrically disconnected vacant property (1,4)	1,113	1,158	1,359
Inactive – electrically disconnected remotely by AMI meter (1,7)	381	355	123
Inactive – electrically disconnected at pole fuse (1,8)	13	7	-
Inactive – electrically disconnected due to meter disconnected (1,9)	33	11	-
Inactive – electrically disconnected at meter box fuse (1,10)	3	1	-
Inactive – electrically disconnected at meter box switch (1,11)	1	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	16	28	29
Inactive – reconciled elsewhere (1,5)	2	2	2
Decommissioned (3)	7,963	7,149	6,717

1.9. Authorisation Received

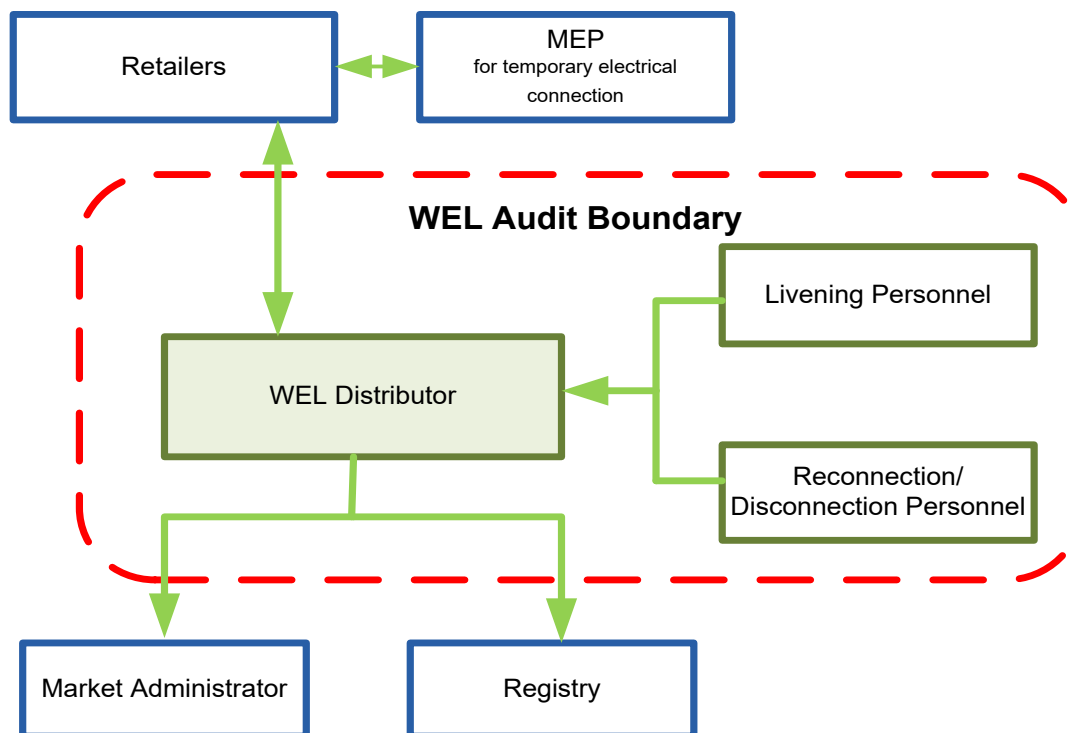
WEL provided a letter of authorisation to Veritek, permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

This Distributor audit was performed at the request of **WEL Networks Ltd (WEL)** to encompass the Electricity Industry Participation Code requirement for an audit as required by clause 11.10 of part 11. The audit was carried out at WEL's premises in Hamilton on August 12th, 2019.

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

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



WEL owns and manages the traditional WEL network as well as a number of embedded networks. All activities covered by this audit are conducted at WEL's head office in Hamilton.

1.11. Summary of previous audit

WEL provided a copy of their previous audit report, conducted by Rebecca Elliot of Veritek Limited in August 2017. This found three non-compliances and made no recommendations. The current status of these has been updated below:

Table of Non-Compliance

Subject	Section	Clause	Non-compliance	Status
Timeliness of provision of Initial electrical connection date	3.5	7(2A) of Schedule 11.1	The event date populated to the registry for IED updates is not the IED date.	Still existing
Changes to registry information	4.1	8 of Schedule 11.1	Registry event updates backdated greater than three days.	Still existing
Provide information to the registry	4.6	7 (1) (m)&(p) of Schedule 11.1	1 ICP with missing initial energisation date. 1 ICP with incorrect UML details.	Still existing with this clause for different issues

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

I walked through the process to ensure that registry information is complete, accurate and not misleading or deceptive, including viewing reports used to resolve discrepancies.

The registry list file as at 31/05/19 was examined to confirm compliance.

Audit commentary

Information is validated between WEL's database and the registry on a daily basis, and error logs are created if any fields are different. These are reviewed every day and are investigated. Analysis of the list and event detail report identified three opportunities:

- A small number of variances between the initial electrical connection date, first active date and meter certification date. These are expected to be identified in the discrepancy reporting and I recommend that the reporting is checked to confirm that it is identifying all expected initial electrical connection date discrepancies.

Recommendation	Description	Audited party comment	Remedial action
Distributor's to provide ICP information to the registry	Ensure that registry discrepancy reporting identifies all variances and investigate these.	WEL will be reviewing the daily discrepancy report and making changes to ensure that all discrepancies are being flagged for investigation.	Identified

- The WEL ICP database does not allow backdating of events. NSP changes are notified to the registry after 14 days but the event date is incorrectly recorded as the same date as the update date. This is a known issue and WEL have a project underway to address this. This same issue is affecting the updating of the initial electrical connection dates as detailed in **section 3.5** and the installation date for distributed generation detailed in **section 4.6**. This is recorded as non-compliance below.
- As detailed in **section 4.11**, two ICPs were found decommissioned for an incorrect event date due to the trader not making it "ready for decommissioning" for the correct event date. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 2.1</p> <p>With: 11.2(1) & 10.6(1)</p> <p>From: 01-Jul-17</p> <p>To: 31-May-19</p>	<p>Registry information not complete and accurate in all instances.</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:</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate as they will mitigate risk most of the time but some opportunities to further improve these have been identified.</p> <p>The audit risk rating is low as the incorrect information has a small or no effect on reconciliation.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>In regards to the small number of variances between the initial electrical connection date, first active date and meter certification date, WEL reviewed the daily discrepancy report used and made changes to ensure that all discrepancies are picked up for investigation.</p> <p>Weekly reports of livening's are provided to WEL and were used for populating this energization dates.</p> <p>Where this was not provided, WEL used the traders date as a placeholder until the correct date was provided. Any corrections needed after this are made straight away.</p>		September 2019	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
<p>WEL will be reviewing the daily discrepancy report and making changes to ensure that all discrepancies are being flagged for investigation.</p> <p>WEL will be working with necessary parties to remind them of their obligations and to ensure that they are updating the registry as they should.</p>		September 2019	

2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2))

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

If the participant becomes aware that in providing information under this Part, the participant has not complied with that obligation, the participant must, as soon as practicable, provide such further information as is necessary to ensure that the participant does comply.

Audit observation

WEL's data management processes were examined. The registry list file as at 06/03/19 was examined to confirm compliance.

Audit commentary

WEL has a fully automated registry update process, which ensures all information listed in this clause is provided to the registry. As detailed in **section 2.1**, information is validated between WEL's database and the registry on a daily basis. Evidence of corrections being made as required was evident when examining the event detail report and examples are discussed in **section 4.1**.

Audit outcome

Compliant

3. CREATION OF ICPS

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

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

A diverse characteristics sample of 30 new connection applications of the 3,500 created since 1/07/2017 were checked from the point of application through to when the ICPs were created. The sample included ICPs with:

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

Audit commentary

WEL creates ICPs as required by clause 1 of schedule 11.1. The sample checked confirmed that they were created compliantly.

The distributor is responsible for creating the ICP for the point of connection for an embedded network to its parent network. There have been two new embedded networks created during the audit period and both had an LE ICP created.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The new connection process was examined in detail. A diverse characteristics sample of 30 new connection applications of the 3,500 created since 01/07/2017 were checked to determine whether the ICPs had been created within three business days of a request by a trader.

Audit commentary

All requests for new connections are received from the customer's agent and are generally lodged via the online portal. Some are received via email and these are entered into WEL's system. Upon receipt of a completed application the portal automatically sends on the application to the nominated trader to accept the nomination. If any applications are not able to be created within three business days a notification is sent to the applicant advising of the reason for delay. All applications pending are checked on a daily basis to ensure these are attended to in the required timeframe. The sample checked confirmed compliance.

A "blanket" notification is provided for the three day period between Christmas and the New Year, advising participants that the creation of ICPs will be later than three business days.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

A diverse characteristics sample of 30 new connection applications of the created since 01/07/2017 were checked from the point of application through to when the ICP was created, to confirm the process and controls worked in practice.

Audit commentary

The process for updating the registry is automated for all fields. 3,500 ICPs were created during the audit period. All had the correct information populated as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The registry list for 31/05/19 and event detail report for 01/07/17 to 31/05/19 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

The WEL system updates occur on a nightly basis. I confirmed that the registry was updated prior to electrical connection for all but one ICP created during the audit period. ICP 0000044984WE2FB was created on 14/12/18 but was electrically connected on 26/04/18. This connection started as a BTS for a retirement village on ICP 0000042446WE559. This ICP was upgraded to a TOU supply without WELS permission. It then switched to another trader. The original trader wanted to retain the BTS supply but had not applied for a new connection. Upon discovery, ICP 0000044984WE2FB was created and backdated to ensure that the BTS consumption was reconciled. This supply has since been decommissioned as it was no longer required. The trader has caused WELS to be non-compliant.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: 7(2) of Schedule 11.1 From: 26-Apr-18 To: 18-Dec-18	Registry not updated prior to commencement of trading for one ICP. Potential impact: Low Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	WELs has robust controls in place. The trader failed to follow WELS process causing them to be non-compliant. The audit risk rating is low as the one backdated created ICP was created within the 14 month revision cycle.		
Actions taken to resolve the issue		Completion date	Remedial action status
As soon as the issue was identified, WEL worked with all appropriate parties to correct. Investigation revealed that a trader had not followed WEL's processes causing the non-compliance. We reiterated our processes to the trader involved.		December 2018	Cleared
Preventative actions taken to ensure no further issue will occur		Completion date	
WEL reviewed the processes involved and found them to be robust. WEL is working with all traders and contractors to ensure that WEL processes are followed,		September 2019	

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The registry list for 31/05/19 and event detail report for 01/07/17 to 31/05/19 were examined to determine the timeliness and accuracy of initial electrical connection dates for the 3,162 completed new connections.

Audit commentary

WEL's authorised livening agents are all required to notify WEL of ICPs made active.

A daily report is run to confirm that all ICPs made active have an initial energisation date recorded and if found to be missing these are investigated to ensure they are updated as soon as possible. The list file was examined and confirmed all that all ICPs created and electrically connected during the audit period have an initial electrical connection date populated.

649 (21.8%) of the 3,162 ICPS appear to be have been updated late. WEL's system re-populates the initial electrical connection date for each network event date. The sample of 20 late updates were checked and found 17 were other network events. The remaining three ICPs were late updates. All were unmetered supplies and were updated late to due to the late return of paperwork from the field. Examination of the late network events in **section 3.5**, identified a further four late updates. WEL's new connection process has robust controls and whilst the data analysis indicates a high percentage of late updates the sample checked found 17 of the 20 to be false positives. Overall, I believe the actual percentage of late updates to be small. The small number of late updates is recorded as non-compliance below.

The effective event date for the three late updates did not match the initial electrical connection date. The event date matched only to the initial electrical connection date for 77 of all of the updates suggesting that the same issue of the event date being updated with the same date as the update date. The data dictionary description from the registry states:

"The Event Date defines the date from which the attribute values of the event should apply".

The use of the incorrect effective date is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 01-Jul-17 To: 31-May-19	A small number of initial electrical connection dates updated greater than ten days from the event date. Incorrect application of event effective date for initial electrical connection updates. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The audit risk rating is strong as WELs has robust controls in place. The audit risk rating is low this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Errors with incorrect livening dates were corrected as soon as they were found.		September 2019	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	
WEL follows up with the livening agents when a livening date is not provided and our reporting indicates we should have one. If we do not get the information requested we will use the retailer date as a placeholder to ensure field is populated. Once the correct livening date has been provided this information is updated. WEL will work with livening agents to remind them of the importance of providing accurate livening information in a timely manner.		September 2019	

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

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

The registry list for 31/05/19 and event detail report for 01/07/17 to 31/05/19 were examined to determine compliance. WEL has not created any new shared unmetered load during the audit period.

Audit commentary

Contractors are engaged by traders, who are also approved by WEL, to conduct connection and electrical connection. The new connections process includes a “trader responsibility” step. WEL then provides notification to their approved contractor to authorise electrical connection.

For all ICPs examined electrical connection occurred after acceptance by a trader with the exception of ICP 0000044984WE2FB which was created after electrical connection had occurred. This is discussed in **section 3.4**.

The private lights recorded in the Hamilton City Council are no longer being reconciled as part of that DUMML database load. These lights have been provided to WEL as part of this audit and should any be shared by more than one ICP, shared unmetered load will need to be created. This is discussed further in **sections 4.6** and **7.1**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: 11.17 From: 26-Apr-18 To: 18-Dec-18	One ICP connected without a trader having accepted responsibility for it on the registry. Potential impact: Low Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	WELs has robust controls in place. The trader failed to follow WELS process causing them to be non-compliant. The audit risk rating is low as the one backdated created ICP was created within the 14 month revision cycle.		
Actions taken to resolve the issue		Completion date	Remedial action status
As soon as issue was identified, WEL worked with the appropriate party to correct.		September 2019	Cleared
Preventative actions taken to ensure no further issue will occur		Completion date	
Current processes have been found to be robust as they do not allow creation of ICPs until a trader has accepted responsibility for the connection. WEL will monitor to ensure that traders follow the correct process, preventing future occurrences.		September 2019	

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

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

A diverse characteristics sample of 30 new connection applications of the 3,500 created since 1/07/17 were checked to determine if the ICPs were connected at the request of the trader.

The registry list as at 31/5/19 was reviewed to confirm that all active ICPs had a trader recorded.

Audit commentary

WEL's processes are robust in relation to this clause as an ICP will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP. The list file confirmed that all ICPs at the "Ready" status had a trader nominated. As discussed in **section 3.4**, the trader did not request a new ICP for an already connected BTS supply therefore I have recorded compliance for WELs in relation to this clause.

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

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

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

Audit observation

The new connection process was examined in **section 3.2**. The registry list for 31/05/19 and event detail report for 01/07/17 to 31/05/19 were examined to determine compliance.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10.30

Code related audit information

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

The distributor must, within five business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:

the NSP that has been connected

the date of the connection

the participant identifier of the MEP for each metering installation for the NSP

the certification expiry date of each metering installation for the NSP.

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10.30(A)

Code related audit information

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

has been authorised to make the request by the reconciliation participant responsible for the NSP; and

the MEP has an arrangement with that reconciliation participant to provide metering services.

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

xxxxxxxxxxccc where:

xxxxxxxxxx is a numerical sequence provided by the distributor

xx is a code that ensures the ICP is unique (assigned by the Authority to the issuing distributor)

ccc is a checksum generated according to the algorithm provided by the Authority.

Audit observation

The process for the creation of ICPs was examined.

Audit commentary

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

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

The list file as at 31/05/19 was examined to confirm all active ICPs have a single loss category code.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

the associated electrical installations are in the construction phase (Clause 13(a) of Schedule 11.1)

the ICP is not ready for activation (Clause 13(b) of Schedule 11.1).

Audit observation

The ICP creation process was reviewed. The registry list for 31/05/19 and event detail report for 01/07/17 to 31/05/19 were examined to determine compliance.

Audit commentary

WEL's new connections process is not designed to use the "New" status. All ICPs are created at the "Ready" status. Examination of the list file found there were no ICPs at the "New" status.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

Audit observation

The process to monitor ICPs at "new" and "ready" status was reviewed. The registry list for 31/05/19 and event detail report for 01/07/17 to 31/05/19 were examined to determine compliance.

Audit commentary

WEL creates all ICPs at 'Ready'. WEL monitors a report of ICPs at the "Ready" status. Any record on this report that is older than approximately six months is investigated with the trader. These are sent every three months to the traders via email.

There are 26 ICPs that have been at the "Ready" status for more than 24 months. WEL have communicated with the trader. They have indicated they have no customer recorded in relation to these but have not requested the ICPs to be "decommissioned set up in error", therefore WEL have not decommissioned these until the trader confirms that these are no longer required.

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

This requirement was discussed and the registry list as at 31/05/19 was examined to determine compliance.

Audit commentary

The list file identified two ICPs with an embedded generator capacity greater than 10MW. Both ICPs have unique loss category codes in accordance with this clause.

Audit outcome

Compliant

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

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

Audit commentary

WEL require an application for all new streetlight connections. The ICP to which the ICPs will be connected to is required and trader approval of the new lights is required before the streetlights will be electrically connected.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The management of registry updates was reviewed.

The registry list and event detail report for 01/07/17 to 31/05/19 were reviewed to determine compliance. A diverse sample of samples of a minimum of ten (or all if there were less than ten examples) backdated events by event type were reviewed to determine the reasons for the late updates.

The management of NSP changes was examined.

Audit commentary

Changes are made in the ICP database and these write to the registry on a nightly basis. WEL's system does not allow them to backdate more than three business days. Any updates outside of this period must be updated directly in the registry. The event detail report was examined to identify backdated event updates.

Address events

877 address updates were made. All were updated were updated within three business days of the event.

Network events

There were 5,622 network events that did not appear to relate to the initial population of trader and initial electrical connection dates for new connections (which are discussed separately in **sections 3.4** and **3.5**). 5,474 (97.4%) of these were updated within three business days. The sample of 20 ICPs checked found:

- seven events were due to corrections of the initial electrical connection date or the unmetered load details, these were backdated to correct effective event date;
- four events were due to a request received from the trader to reverse events so that they could insert an event, WEL then repopulated the events but these had to be backdated to be accurate;
- five events were due to a change of proposed trader, these were all updated prior to being electrically connected and are therefore compliant;
- four were late populations of the initial electrical connection date (one of these relates to an unmetered new connection) and these are recorded as non-compliance in **section 3.5**.

Pricing events

There were 37,999 pricing updates were identified. 73 of these were backdated more than three business days. The sample of ten late updates were examined and found eight were due to pricing corrections. The remaining two updates had no change to pricing.

Status events

The decommissioning process is discussed in **section 4.11**. The code changed on 1/11/18 in relation to the Distributor updating an ICP to decommissioned. I have assessed the activity in relationship to this in accordance of the code effective at the time the event occurred.

724 status updates to decommissioned were identified. 513 of these occurred prior to the code change. 431 (81%) of these were late. I examined a sample of five of these and found:

- three ICPs updated late by the trader causing WEL to be non-compliant;
- ICP 0000043697WEFF9 was updated to ready for decommissioning prior to the meter being removed, this was updated to decommission once was confirmed was received;
- ICP 0005710055WEE58 was decommissioned in error as advised by the trader, the event has been reversed and the trader has returned the ICP to ready for decommissioning in July 2019.

I recommend that WEL follow this up with the trader.

Recommendation	Description	Audited party comment	Remedial action
Decommissioning of ICPs	Confirm with the trader if ICP 0005710055WEE58 is ready for decommissioning or not.	This ICP was decommissioned in error. The trader is required to change registry status back to active. WEL has requested the trader to do this multiple times in the past months, again as recently as 04/09/19.	Identified

- one was a correction to the effective event date of the disconnection so whilst the event was backdated, WEL are compliant with the more important clause of providing complete and accurate information.

211 status updates to decommissioned have occurred since the code changed. 49 (23%) of these were updated more than three days after the trader changed the status to “disconnected- ready to decommission”. I checked a sample of four of these and found:

- two related to ICP amalgamations and required investigation before the ICPs could be decommissioned;
- one was post the Christmas close out period and was late due to a backlog of work; and
- I was unable to be determine the reason for the late updating of ICP 0000840233WE37C but note that checks for ICPs being moved to this status have been increased to every three days since this time.

Change of NSP

The process of NSP changes was examined. NSP changes are updated to the registry after 14 days but they are updated with the same effective event date. This is a known issue and WEL have a project in place to address this.

Analysis identified 4,020 ICPs with an NSP change. A sample of five NSP changes were examined and all had the incorrect effective event date. All NSP changes were within the same balancing area so there was a minimal effect on reconciliation. The incorrect effective event date is recorded as non-compliance in **section 2.1**.

The backdating of events to the registry is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: clause 8 schedule 11.1 From: 01-Jul-17 To: 31-May-19	A small number of registry event updates backdated greater than three days. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as WEL have robust processes in place to update the registry but due to the ICP database functioning all NSP change and many initial electrical connection date updates are recorded with an incorrect effective event date. The audit risk rating is low as the volume of backdated is small in comparison to the volume of changes made.		
Actions taken to resolve the issue		Completion date	Remedial action status
WEL has an internal project underway to ensure NSP change dates are correctly recorded.		September 2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Once the NSP change date project is complete, this issue should be resolved.		September 2019	

4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1)

Code reference

Clauses 7(1), 7(4) and 7(5) Schedule 11.1

Code related audit information

Under Clause 7(1)(b) of Schedule 11.1, the distributor must provide to the registry manager the NSP identifier of the NSP to which the ICP is usually connected.

If the distributor cannot identify the NSP that an ICP is connected to, the distributor must nominate the NSP that the distributor thinks is most likely to be connected to the ICP, taking into account the flow of electricity within its network, and the ICP is deemed to be connected to the nominated NSP.

Audit observation

The process to determine the correct NSP was examined. I ran a concatenate query across the list file supplied. I checked for any roads that have less than three ICPs and less than 10% allocated to an NSP.

Audit commentary

The process for allocating new ICPs to the correct transformer, and therefore the correct NSP, was examined and is robust. The transformer for each new connection is determined based on the ICP database and this is checked as part of the ICP creation process manually. The planning team will advise the correct transformer if work on the network is required. GPS co-ordinates are recorded for all new connections.

The analysis identified 22 roads that have less than three ICPs and less than 10% allocated to an NSP. All were checked and confirmed to have the correct NSP assigned.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

The management of customer queries was examined.

Audit commentary

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

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to determine correct and unique addresses was examined. The registry list for 31/05/19 was reviewed to determine compliance.

Audit commentary

WEL's ICP database does not allow duplicate addresses to be created and all new connections have GPS co-ordinates recorded. Analysis of list file found no duplicate addresses. All but 710 addresses now have the GSP co-ordinates recorded.

Audit outcome

Compliant

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

Code reference

Clause 3 Schedule 11.1

Code related audit information

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

Audit observation

The management of this process was discussed.

Audit commentary

WEL has required that all ICPs created since 7 October 2002 will comply with this clause. WEL's process documentation addresses this issue. There are two existing ICPs that do not meet this requirement, but these were created prior to 7 October 2002 so are exempt from this requirement.

There was an alleged breach that this clause was breached by WEL. Through the reconfiguration of a customer's supply ICPs 0000040548WEC86 and 0000037884WE3A6 are no longer be able to be disconnected independent of ICP. This was examined by the Compliance team and determined that as ICP 0008803342WEFC was electrically connected prior to this clause there was no breach. The trader at ICP 0008803342WEFC has an exemption in place to ensure that reconciliation can occur correctly as consumption must now be determined using subtraction.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

- *the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)*
- *the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)*
- *the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)*
- *the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)*
- *the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)*
- *if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):*
 - a) *the unique loss category code assigned to the ICP*
 - b) *the ICP identifier of the ICP*
 - c) *the NSP identifier of the NSP to which the ICP is connected*

- d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*
- *if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):*
 - a) *a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity*
 - b) *a blank chargeable capacity if the capacity value can be determined for a billing period from metering information collected for that billing period*
 - c) *if there is more than one capacity value at the ICP, and at least one, but not all, of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
 - (i) no capacity value recorded in the registry field for the chargeable capacity; and*
 - (ii) either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
 - d) *if there is more than one capacity value at the ICP, and none of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
 - (i) the annual capacity value recorded in the registry field for the chargeable capacity; and*
 - (ii) either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
 - e) *the actual chargeable capacity of the ICP in any other case*
- *the distributor installation details for the ICP determined by the price category code assigned to the ICP (if any), which may be placeholder distributor installation details only if the distributor is unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (Clause 7(1)(i) of Schedule 11.1)*
- *the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (Clause 7(1)(j) of Schedule 11.1)*
- *the status of the ICP (Clause 7(1)(k) of Schedule 11.1)*
- *designation of the ICP as "Dedicated" if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under Clause 7(1)(b) of Schedule 11.1, or the ICP is a point of connection between a network and an embedded network (Clause 7(1)(l) of Schedule 11.1)*
- *if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (Clause 7(1)(m) of Schedule 11.1)*
- *if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (Clause 7(1)(n) of Schedule 11.1)*
- *if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):*
 - a) *the nameplate capacity of the generator; and*
 - b) *the fuel type*
- *the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

Audit observation

The management of registry information was reviewed. The registry list as at 31/05/19 was reviewed to determine compliance. A typical sample of data discrepancies were checked.

Registry data validation processes are discussed in **section 2.1**.

Audit commentary

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

Distributed Generation

WEL have a robust approval process before allowing Distributed Generation to be connected to their network but is reliant on customers following the process. This is only loaded to the network once the test report has been received back from the contractor to confirm compliant export/import metering has been installed.

Examination of the list file found ICPs with generation capacity have continued to grow as detailed in the table below:

Year	ICPs with distributed generation
2017	698
2019	1,102

All had fuel type recorded and the correct installation type of B.

A check of the PR255 against the list file identified 23 ICPs where the profile and metering indicates there is an injection channel but WEL has no distributed generation recorded. These were analysed and found:

- 15 ICPs have had an application received but no completion paperwork has been received to confirm generation is present;
- four were HHR category 3 or above where the meter indicates an injection channel but there it has been confirmed that no generation is recorded;
- three ICPs where no application has been received but the profile and metering installed indicates distributed generation is present; and
- ICP 0000010263WE371 has since been electrically connected and the distributed generation details have updated on the registry but with the incorrect effective event date, the accuracy of event dates is discussed below.

WEL are reviewing this process to identify how to manage those ICPS where installation has occurred, and no application has been received and those where the required the paperwork is not returned post installation.

I checked the distributed generation information populated on the registry against the paperwork provided for a sample of ten ICPs and found:

ICP	Registry effective electrically connected date	Installation paperwork High risk register certification date or	Registry kW capacity	Installation paperwork kW capacity	Comments
0000010833WE173	4/04/2019	18/03/2019	5	5	Incorrect installation date recorded.
0000011210WEB4C	28/02/2019	18/02/2019	4	3.68	Incorrect kW capacity recorded and installation date recorded.
0000011305WE5AA	5/10/2018	5/10/2018	5	5	
0000011461WE452	27/08/2018	25/06/2018	4	4	Incorrect installation date recorded.
0000012387WE285	6/09/2017	27/7/2019	5	5	Incorrect installation date recorded.
0000012633WE438	29/04/2019	29/04/2018	10	10	
0000012970WE552	11/02/2019	30/01/2019	5	5	Incorrect installation date recorded.
0000013397WE988	15/05/2018	10/07/2018	5	5	Incorrect installation date recorded.
0000013588WEAFD	18/03/2019	05/03/2019	5	5	Incorrect installation date recorded.
0000013921WE0BF	14/11/2017	20/10/2017	2	1.94	Incorrect kW capacity recorded and installation date recorded.

Eight had the incorrect installation date and two had the incorrect kW value recorded. The incorrect installation date is due to the ICP database event date application and is discussed in **section 2.1**. The incorrect installation dates and incorrect kW values are recorded as non-compliance below.

Initial Electrical Connection Date

WEL run a weekly report that identifies anomalies between the distributor, trader and MEP data. Where anomalies are identified, confirmation is sought from the livening agents to confirm the data supplied.

3,232 ICPs have had the initial electrical connection date populated between 1/07/17 to 31/05/19. The list file found all ICPs electrically connected during the audit period had an initial electrical connection date populated.

I checked the accuracy of the initial electrical connection date against the active date and meter certification date from the EDA for all ICPs made active and found:

- 3,232 ICPs with both the initial electrical connection date populated and active date, of these:
 - 3,193 (97%) had matching dates; and
 - 93 ICPs had a different active date. The initial electrical connection date matched to the meter certification for 26 of these ICPs indicating that the trader's first active date is incorrect. A sample of 20 of the remaining 63 ICPs were selected using the typical case sample methodology were examined and found:
 - For 17 of these the original initial electrical connection date was overwritten with an incorrect date. These are being corrected.
 - An incorrect electrical connection date was provided for ICP 0000044226WE96F. This has been corrected.
 - The electrical connection date provided for ICP 0000045067WEC28 is being investigated to confirm which date is correct.
 - In this instance the initial electrical connection date was never provided by the electrical connection agent and WEL has used the trader's first active date in lieu of any other information. The trader has amended their first active date for ICP 0000044085WE7B7. This wasn't identified via the registry discrepancy reporting.

Whilst the percentage of potential errors is small, I recommend in **section 2.1** that the discrepancy reporting is checked to confirm that it is identifying all expected initial electrical connection date discrepancies and that these are investigated to determine the correct date.

The list file was checked since part ten came into effect and confirmed that all have an electrical connection date populated. The list file identified two ICPs (0000045547WE478 & 0000045747WEE7F) at the status of "new connection in progress" (1,12) that have an initial electrical connection date populated. These are both on the WEL local network and have since been updated to active by the Retailer as part of BAU. The active dates matched to the initial electrical connection date in both cases.

Unmetered Load

WEL does not encourage new unmetered loads on their network. They have a well-documented policy and process for the ongoing management and notification of altered unmetered load connections. ICP 0000042468WEB97 was approved as a metered load connection but was discovered to be an unmetered speed camera. The ICP details were corrected upon discovery.

WEL uses the recommended format for updating the registry where possible with 312 of the 314 ICPs recorded in the recommended format. I compared the daily kWh figures based on WEL's data to the traders' daily unmetered kWh figures and found that 293 (94%) of 312 ICPs matched. 15 of the 19 ICPs with a load difference are DUML ICPs and the unmetered load is derived from a database. The remaining four ICPs were checked and found:

- three ICPs where the WEL load is correct and the trader's value has been calculated incorrectly (ICPs 0000042581WE678, 0000043067WE9E8 and 0000043093WE8F5); and
- ICP 0002622001WE87A requires further investigation to determine what the correct load is.

There are 47 private lights recorded in the Hamilton City Council that are no longer being reconciled as part of that DUMML database load. These lights have been provided to WEL as part of this audit. I recommend that these be investigated to determine if they should be standard unmetered load, shared unmetered load or disconnected if the customer does not want to pay for the lights.

Recommendation	Description	Audited party comment	Remedial action
Distributor to provide ICP information to the registry.	Investigate the 47 private lights identified from the Hamilton City Council RAMM database to determine how these lights will be reconciled.	WEL will investigate the 47 private lights and work with the affected parties to enact the best solution and ensure they will be correctly reconciled.	Investigating

Dedicated vs non-dedicated

The application of dedicated vs non-dedicated flag was examined and found 11 of the LE ICPs had the flag incorrectly set to “N”. These have all been corrected to “Y”. WEL now has a good understanding of the setting of the flag for LE ICPs.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.6</p> <p>With: Clause 7(1) Schedule 11.1</p> <p>From: 01-Jul-17</p> <p>To: 31-May-19</p>	<p>Distributed generation details incorrect or missing</p> <p>Small number of ICPs with an incorrect initial electrical connection date populated.</p> <p>11 LE ICPs with the incorrect NSP dedication flag.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as moderate as they will mitigate risk most of the time but there is room for errors to occur and I have detailed recommendations in section 2.1 to improve controls.</p> <p>The risk rating is low as the errors found have no direct impact on reconciliation.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The 11 LE ICPs with incorrect NSP dedication flag was due to a misinterpretation of the code and were corrected once clarified.</p> <p>Incorrect kW capacity recorded for two Distributed Generation sites corrected at time of notice.</p> <p>WEL are identifying all DG approvals issued where we have not received appropriate paperwork back for them (Test forms and relevant Inspection Certificates at time of install).</p> <p>Installers will be asked to provide this information if installation has occurred and the registry will be updated with information.</p>		<p>August 2019</p> <p>August 2019</p>	Identified
Preventative actions taken to ensure no further issue will occur		Completion date	

<p>The internal DG process has been reviewed and changes made. Changes include:</p> <ul style="list-style-type: none"> - Having a clear visual of dates that paperwork is expected back to us following approval (90 days) - Sign off that follow up with installer has occurred where 90 days has passed following approval with no paperwork returned - All current and past DG installers used have been emailed to remind them of their obligations to ensure that the installation, certifications and return of paperwork must be done within 90 days of approval being given to them - All traders have been emailed to advise that we have the need for the DG installation, certifications and return of paperwork to be done within 90 days of approval being given to installers and non-compliance of this can result in the disconnection of the customer's equipment and/or power supply. To ensure we do not get to the stage of needing to disconnect anything we have asked them to work with their customer in getting relevant paperwork to us in the instances where the installer does not respond to our requests. - WEL is reviewing all DG approvals since 1 Jan 2018 and obtaining any missing paperwork from installers <p>There are longer term plans to potentially automate some of the DG process via an online portal which will assist in automation of reminder emails etc. At this stage though this is just in discussions.</p>	September 2019	
---	----------------	--

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

The management of registry information was reviewed. The registry list and event detail report for 01/07/17 to 31/05/19 were reviewed to determine compliance.

Audit commentary

WEL confirmed these details are known prior to electrical connection of the ICP. If any changes are required these are updated as soon as possible. The backdated price category changes were checked in **section 4.1** and relate to corrections. Placeholder values are not used.

Audit outcome

Compliant

4.8. GPS coordinates (Clause 7(8) and (9) Schedule 11.1)

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

If a distributor populates the GPS coordinates (optional), it must meet the NZTM2000 standard in a format specified by the Authority.

Audit observation

The registry list as at 31/05/19 was reviewed to determine compliance. WEL Network have populated GPS co-ordinates against all but 710 of their active ICPs during the audit period. I checked that the GPS coordinates used meet the NZTM2000 standard.

Audit commentary

WEL have used the NZTM2000 standard to record the GPS co-ordinates. This was confirmed by looking at the format of the GPS co-ordinates used.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

WEL's current process is to create all ICPs at the "ready" status.

The registry list showed 127 ICPs currently at "ready" status, 26 have been at "ready" status for more than two years. This is discussed further in **section 3.14**.

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

Audit commentary

As noted in **section 3.2**, ICP requests come directly from customers or their agents and are generally lodged via the online portal. Some are received via email and these are entered into WEL's system. Upon receipt of a completed application the portal automatically sends on the application to the nominated trader to accept the nomination.

The price category field in WEL's ICP database contains a "drop down" list, which ensures each ICP can only have a single price category. Examination of the list file confirmed that all ICPs at "ready" status had a single price category assigned and proposed trader identified. The timeliness of this information being populated is discussed in **section 3.4**.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

Processes to manage the "distributor" status were reviewed.

The registry list and event detail report for 01/07/17 to 31/05/19 were reviewed to identify ICPs at the "distributor" status and check compliance.

Audit commentary

WEL has 23 ICPs that have an ICP status of "distributor." 17 of these are points of connection between embedded networks and the WEL network. The remaining six ICPs are parent ICPs for shared unmetered load. Two Distributor ICPs have been created during the audit period. Both were created compliantly.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The registry list and event detail report for 01/07/17 to 31/05/19 were reviewed to identify ICPs at the “decommissioned” or “ready for decommissioning” status.

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

Audit commentary

ICP decommissioning is managed by WEL and the process is documented. Retailers notify WEL when ICPs are “ready for decommissioning” but they do not change the registry to this status until advised by WEL that the fieldwork has been completed. WEL manages the fieldwork to ensure the electrical installations are physically removed and advise the Retailer when this work has been completed. The Retailer then updates the registry to the status “ready for decommissioning” and backdate the effective date to the actual date of the decommission. The timeliness of these updates is discussed in **section 4.1**.

The sample of ICPs decommissioned confirmed that three of the five have been decommissioned for the correct date. The ready for decommissioning event date was set incorrectly for the remaining two ICPs. Therefore, WEL has decommissioned these for the incorrect date. Going forward, WEL intend to request that the trader amend their date to ensure that WEL can decommission for the correct event date. This is recorded as non-compliance in **section 2.1**.

WEL’s list file shows that there were 16 ICP at “ready for decommissioning” status at the time of the audit analysis. A sample of five ICPs was checked and found:

- for three ICPs no request for decommissioning has been received from the retailer and an email requesting the trader confirm that the correct status has been applied, and if correct to initiate the request to decommission the ICP;
- two have since been decommissioned as part of BAU operations.

Audit outcome

Compliant

4.12. Maintenance of price category codes (Clause 23 Schedule 11.1)

Code reference

Clause 23 Schedule 11.1

Code related audit information

The distributor must keep up to date the table in the registry of the price category codes that may be assigned to ICPs on each distributor's network by entering in the table any new price category codes.

Each entry must specify the date on which each price category code takes effect, which must not be earlier than two months after the date the code is entered in the table.

A price category code takes effect on the specified date.

Audit observation

The price category code table on the registry was examined.

Audit commentary

Five new price codes were uploaded on 12/01/18 with an effective date of 1/04/2018. This was notified more than two months of the price code coming into effect.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

The loss category code table on the registry was examined.

Audit commentary

No new loss category codes have been created during the audit period.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

Each loss category code must have a maximum of 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 category code table on the registry was examined.

Audit commentary

16 loss factors have been updated during the audit period. All were notified within the required period.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between 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

The NSP table was examined.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must give notice to the reconciliation manager at least 1 month before the creation or transfer of:

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

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period for WEL's NSPs.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

The NSP supply point table was reviewed:

Distribut or	NSP POC	Network Type	Description	MEP	Certification Expiry
WAIK	BRI0111	EN	BRICK STREET	AMCI	17-03-27
WAIK	FLG0111	EN	FLAGSHIP	AMCI	07-02-23
WAIK	HMB0111	EN	HALF MOON BAY	AMCI	20-12-22
WAIK	HUL0111	EN	HULME PLACE	AMCI	13-09-25
WAIK	JEF0111	EN	JEFFS ROAD	AMCI	17-04-20
WAIK	KIR0111	EN	KIRKDALE	AMCI	17-10-21
WAIK	MTG0111	NP	MANGATANGI	COUP	16-04-28
WAIK	OAK0111	EN	OAKLANDS	AMCI	29-09-26
WAIK	POR0111	EN	Porchester Road	AMCI	14-05-19
WAIK	RYN0111	EN	RYAN PLACE	AMCI	27-04-26
WAIK	STG0111	EN	SOUTHGATE	AMCI	01-05-27

The NSP metering was recertified during the audit period for four networks. These were all advised to the Reconciliation Manager within 20 business days of this occurring.

Audit outcome

Compliant

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

Code reference

Clause 10.25(2)

Code related audit information

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

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

WEL have not connected any new NSPs during the audit period

Audit outcome

Compliant

6.10. Obligations concerning change in network owner (Clause 29 Schedule 11.1)

Code reference

Clause 29 Schedule 11.1

Code related audit information

If a network owner acquires all or part of a network, the network owner must give written notice to:

- *the previous network owner (Clause 29(1)(a) of Schedule 11.1)*
- *the reconciliation manager (Clause 29(1)(b) of Schedule 11.1)*
- *the Authority (Clause 29(1)(c) of Schedule 11.1)*
- *every reconciliation participant who trades at an ICP connected to the acquired network or part of the network acquired (Clause 29(1)(d) of Schedule 11.1).*

At least one month's notification is required before the acquisition (Clause 29(2) of Schedule 11.1).

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

WEL have not initiated any changes of network owner.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The NSP supply point table was examined.

Audit commentary

WEL has not changed the MEP for any embedded network gate meters for which they are responsible for during the audit period.

Audit outcome

Compliant

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

The distributor must give the Authority confirmation that it has received written consent to the proposed transfer from:

- *the distributor whose network is associated with the NSP to which the ICP is recorded as being connected immediately before the notification (unless the notification relates to the creation of an embedded network) (Clause 5(a) of Schedule 11.2)*
- *every trader trading at an ICP being supplied from the NSP to which the notification relates (Clause 5(b) of Schedule 11.2).*

The notification must include any information requested by the Authority (Clause 8 of Schedule 11.2).

Audit observation

The NSP supply point table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

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

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

The registry list for 01/07/17 to 31/05/19 was reviewed to identify any ICPs with shared unmetered load connected. The streetlight audits of the network were assessed.

Audit commentary

WEL has six shared unmetered load “distributor only” ICPs. No new shared unmetered load has been connected during the audit period.

There are 47 private lights recorded in the Hamilton City Council that are no longer being reconciled as part of that DUML database load. These lights have been provided to WEL as part of this audit and should any be lights be shared by more than one ICP, shared unmetered load will need to be created. I recommend in **section 4.6**, that these be investigated e investigated to determine if they should be standard unmetered load, shared unmetered load or disconnected if the customer does not want to pay for the lights.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list for 01/07/17 to 31/05/19 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

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

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

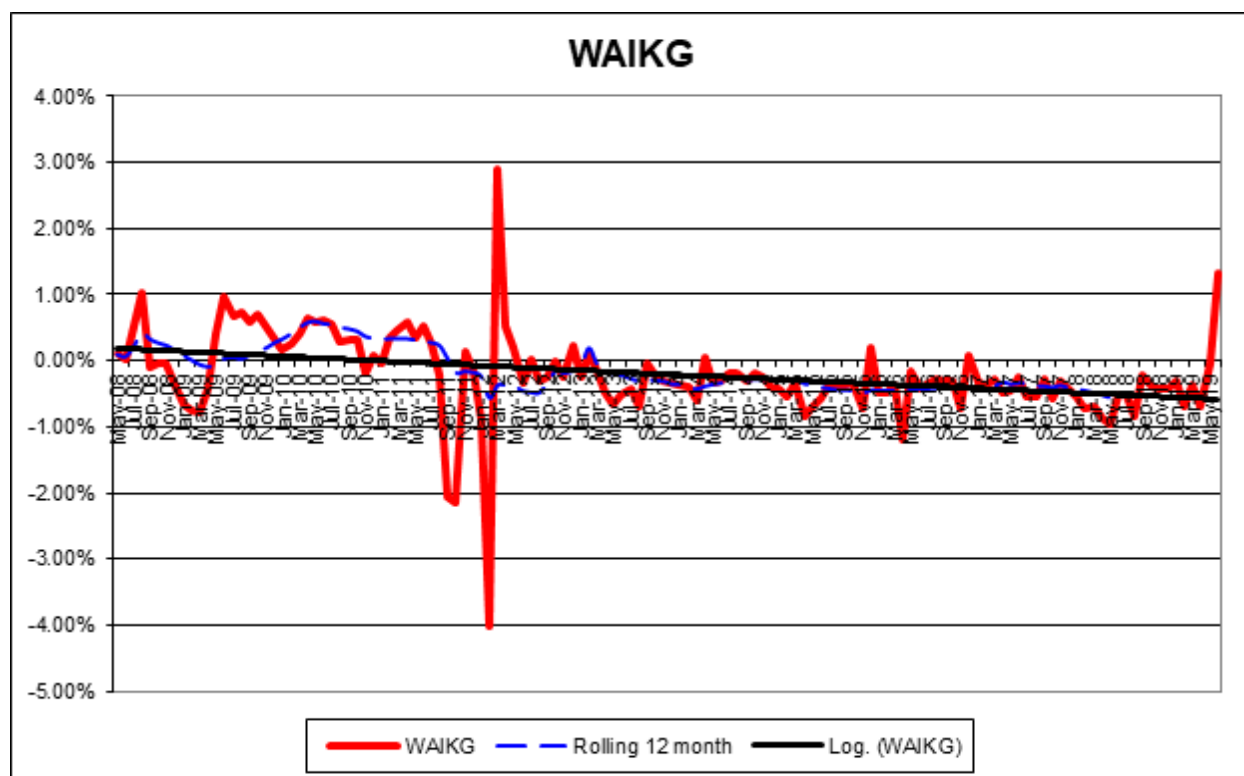
Audit observation

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

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

Audit commentary

The EA provided the following UFE graph indicating that losses for WEL are running within the +/- 1% threshold:



WEL have a robust process in place to review their losses and the losses were adjusted at the beginning of 2018.

Audit outcome

Compliant

CONCLUSION

WEL generally have robust processes in place to manage the relevant processes. The last audit identified that the ICP database does not allow the backdating of events more than three business days. Any updates outside of this period must be updated directly in the registry. This issue is still present and is affecting the accuracy of the initial electrical population, the installation date of distributed generation and the effective date of NSP changes. WEL are aware of this issue and already have a project underway to address this.

This audit found six non-compliances and makes two recommendations. The indicative audit frequency table indicates the next audit should be in 12 months. I have considered this in conjunction with WEL's responses and recommend that the next audit be in 18 months' time as actions to address non-compliances are clearly identified and two of the six non-compliances have been cleared.

PARTICIPANT RESPONSE

Of the six non-compliance issues that were raised, almost all occurred (to varying degrees) as a result of third parties not following WELs processes or fulfilling their own compliance obligations. While we will continue to refine our processes and procedures to ensure they are robust, some of the non-compliance issues raised are largely outside of WEL's control.

WEL notes that the severity of each non-compliance issue was low and the controls in place to prevent them were deemed to be moderate to high.

WEL has resolved to investigate the recommendations contained in this report.