

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

SCANPOWER LTD

Prepared by: Allan Borcoski

Date audit commenced: 5 November 2019

Date audit report completed: 12 December 2019

Audit report due date: 16-Dec-19

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EXECUTIVE SUMMARY

This distributor audit was performed at the request of Scanpower (SCAN) as required by clause 11.10 of Part 11, to assure compliance with the Electricity Industry Participation Code 2010. The relevant rules audited are as required by the Guidelines for Distributor Audits V7.0 issued by the Electricity Authority

This audit found the management of Scanpower's compliance obligations to the Electricity Industry Participation Code 2010 (code) to be diligent and well organised. This is evident by the relatively low number of discrepancies identified. The systems and processes in place are pragmatic and appropriate to the scale of the operation they serve. Having said that the nature of the discrepancies is consistent with high levels of manual data entry. Recommendations and suggestions from previous audits have been accepted and implemented, for example the suite of monitoring and exception reports added to the ICP Database, the location address tidy up project and closer monitoring of new and ready status. It is expected that moving to monthly exception reporting and utilising the registry SFTP interface more extensively will improve compliance performance further.

The new audit compliance summary report was introduced during the audit and it is suggested that it can be used as part of the regular compliance monitoring in future.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. Table 1 of the Guidelines for Distribution Participant audit provides some guidance on this matter. The Future Risk Rating score is 14 which results in an indicative audit frequency of 12 months. We agree with this result.

We thank Scanpower staff for their full and complete cooperation in this audit.

Audit period was 18 October 2018 to 6 November 2019

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1)	A small quantity of information in the registry was inaccurate, it was identified and corrected.	Moderate	Low	2	Identified
Timeliness of provision of Initial Electrical Connection Date (IECD)	3.5	7(2A) of Schedule 11.1	IECD was not recorded for 17.95% of new ICPs. Some IECD registry updates more than 10 days after the event	Moderate	Low	2	Identified
Connection of ICP that is not an NSP	3.6	11.17	1 x ICP where a retailer had not accepted an ICP prior to it being connected to the network.	Moderate	Low	2	Identified
Monitoring of "new" & "ready" statuses	3.14	15 Schedule 11.1	2 x ICPs remained in the new and ready status in the registry for more than 24 months.	Strong	Low	1	Identified
Changes to registry information	4.1	8 of Schedule 11.1	A small number of registry updates were greater than 3 business days from the event date.	Moderate	Low	2	Identified
ICP location address	4.4	2 of Schedule 11.1	For 29 ICPs the address descriptions do not allow ICPs to be readily located	Strong	Low	1	Identified
Distributor to provide ICP information to the registry manager	4.6	7(1)(m)(o) (p) of Schedule 11.1	Incorrect or missing information in the registry for addresses, UML, distributed generation and IECD	Moderate	Low	2	Identified
Management of ready status	4.9	14 Schedule 11.1	1 x ICP the ready status was updated in the registry 2 months after the ICP had been connected to the network.	Moderate	Low	2	Identified
Future Risk Rating						14	

Future risk rating	1-2	3-6	7-9	10-19	20-24	25+
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1.3. Persons involved in this audit

Name	Title	Company
Tristan Smiley	Network Engineer	Scanpower Ltd
Allan Borcoski	Electricity Authority Approved Auditor	Borcoski Energy Services Ltd

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

- *remains responsible for the 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

There are no contractors involved in the Scanpower operations that were audited.

Audit observation

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

1.5. Supplier list

There were no suppliers who assisted Scanpower during the audit period with the operations audited.

1.6. Hardware and Software

An MS Access Database called the ICP Database is used to store information about ICPs and provide exception reporting.

1.7. Breaches or Breach Allegations

No breaches or alleged breaches were recorded.

1.8. ICP and NSP Data

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
SCAN	DVK0111	DANNEVIRKE			DANNEVKSCANG	G	1/05/08	6401
SCAN	WVD0111	WOODVILLE			WOODVLLSCANG	G	1/05/08	1653

Scanpower provided the LIS file dated 05 November 2019, the total number of ICPs was 8054.

Status	Number of ICPs (2019)	Number of ICPs (2018)	Number of ICPs (2017)
New (999,0)	7	5	5
Ready (0,0)	0	3	4
Active (2,0)	6,909	6,679	6,666
Distributor (888,0)	0	0	0
Inactive – new connection in progress (1,12)	1	0	4
Inactive – electrically disconnected vacant property (1,4)	377	399	390
Inactive – electrically disconnected remotely by AMI meter (1,7)	6	10	9
Inactive – electrically disconnected at pole fuse (1,8)	5	0	1
Inactive – electrically disconnected due to meter disconnected (1,9)	1	1	1
Inactive – electrically disconnected at meter box fuse (1,10)	0	0	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	5	0	7
Inactive – reconciled elsewhere (1,5)	0	0	0

Decommissioned (3)	969	939	885
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1.9. Authorisation Received

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

1.10. Scope of Audit

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

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

The audit was carried out on the Scanpower premises, at Oringi Rd Dannevirke, on the 7/8 November 2019. We have followed the Guidelines for Distributor Audits version 7.0, published by the Authority, as at the report date.

1.11. Summary of previous audit

The previous audit was conducted in 28/05/2018 by Ewa Glowacka of TEG & Associates.

Subject	Section	Clause	Non Compliance	Comment
Requirement to provide complete and accurate information	2.1	11.2(1)	For small number of ICPs information are not accurate and complete in the registry	Still exists Improved
Connection of ICP that is not an NSP	3.6	11.17	No process followed for ICP 0000507291CAAC9	Still exists
Connection of ICP that is not an NSP	3.7	10.31	No trader ICP acceptance for ICP 0000507291CAAC9	Cleared
Management of "new" and "ready" status	3.14	15 of Schedule 11.1	ICP 0003404956CAEA5 was created more than 24 months ago, it was not followed up with Meridian if still required	Still exists improved
Changes to registry information	4.1	8 of Schedule 11.1	small number of updates to registry information are later than 3 business days	Still exists Improved
ICP location address	4.4	2 of Schedule 11.1	For 469 ICPs the address descriptions do not allow ICPs to be readily located	Still exists Improved

Distributor to provide ICP information to the registry manager	4.6	7(1) of Schedule 11.1	Incorrect or missing information in the registry for UML, Initial Electrical Connection Date, NSPs	Still exits Improved
Management of "ready" status	4.9	14 of Schedule 11.1	Lack of confirmation of trader acceptance for ICP 0000507291CAAC9	Still exits Improved

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

A check of the Audit Compliance Summary Report 2019 for the audit period, the LIS file 05 November 2019. We discussed with Scanpower what processes were in place to ensure accurate information was provided to the registry.

There were a relatively small number of registry information discrepancies identified by Scanpower during the audit period and during the onsite audit:

Audit commentary

Scanpower has traceability of information from customers, other participants field staff, contractors through its service email inboxes and subsequently the ICP database. (MS Access). An ICP record is created and all information pertaining to that ICP is stored in that file record. The ICP database is able to update the registry by SFTP. Registry information updates are made using a combination of SFTP and manual entry through the registry web browser.

The information system allowed discrepancies to be corrected quickly by enabling access information for analysis.

The relatively small number of registry information discrepancies identified were corrected during the on-site audit or had already been corrected during the audit period:

Section	Registry Discrepancy
4.9	<ul style="list-style-type: none">1 x ICP retailer acceptance was received 2 months after the ICP had been
4.6	<ul style="list-style-type: none">1 x ICP No UML load details in the distributor2 x ICPs with distributed generation with incorrect installation type
4.1	<ul style="list-style-type: none">10 x registry information updates were greater than 3 business days from the event date.
3.14	<ul style="list-style-type: none">2 x ICP has remained in the new and ready status in the registry for more than 24 months.
3.5	<ul style="list-style-type: none">7 x ICPs of new ICP connections had no IECD populated in the registry5 x new ICP connections had IECDs populated in the registry more than 10 days after the IECD event date

3.6	1 x ICP where a retailer had not accepted responsibility for an ICP prior to it being connected to the network.
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During the audit Scanpower was introduced to the Audit Compliance report. It was suggested that Scanpower make use of this report to compliment the exception reporting already in place.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2(1) From: 16-Oct-18 To: 06-Nov-19	A small quantity of information in the registry was inaccurate, it was subsequently identified and corrected. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are moderate because processes and exception reporting are in place. Impact on settlement outcomes is minor therefore audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Review processes to ensure currency		March 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to run exception reporting		Ongoing	

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

A check of the Audit Compliance Summary Report 2019 for the audit period, the LIS file 05 November 2019. We discussed with Scanpower what processes were in place to identify information discrepancies in their systems and the registry, and the methods to correct that data as soon as practicable.

Audit commentary

Scanpower conscientiously validates information uploaded to the registry. If discrepancies are identified they are corrected immediately.

Exception reporting has been developed in the ICP database to identify discrepancies around ICP Status, ICP decommission status, IECD and address issues. It is suggested the frequency of running the exception reports be increased to monthly from the current two monthly.

The project prompted by the last audit to correct address information appears to have been effective.

The Audit Compliance Summary report was introduced to Scanpower during the audit. It is suggested this will be a useful tool to compliment the current monitoring and exception reporting effort.

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

EDA report was checked for the audit period and new connections process discussed with Scanpower staff. 12 new ICP connection records were also checked.

Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. Application details and connection attributes are recorded in the ICP database and a network capacity check completed using the GIS. Once the application is approved and the connection fees paid (or deposit where works need to be completed to enable the connection) Scanpower will create the ICP in the registry with a status of new. A SFTP file from the ICP database populates the registry with the new ICP information Supporting information such as proposed retailer, price category code, loss factor and connection type are assigned to the ICP when the ICP is initially created in the registry.

40 new ICPs were created during the audit period.

We verified that new ICP connection information is captured in the ICP Database and that data matched that in the registry.

Scanpower has no shared unmetered load on its network.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Report, LIS report 05 November 2019 and EDA report were checked for the audit period and new connections process discussed with Scanpower staff. 12 new ICP connection records were also checked.

Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. Application details and connection attributes are recorded in the ICP database. Once the application is approved and the customer has paid the fees, Scanpower will create the ICP in the registry with a status of new.

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

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

The distributor, within 3 business days of receiving a request for the creation of an ICP identifier for an ICP, must either create a new ICP identifier or advise the participant of the reasons it is unable to comply with the request.

Audit observation

The Audit Compliance Report, LIS report 05 November 2019 and EDA report were checked for the audit period and new connections process discussed with Scanpower staff. 12 new ICP connection records were also checked.

Audit commentary

Customers or their agents apply directly to Scanpower for a new ICP connection to the network.

Participants do not apply for or request ICPs on the Scanpower Network. This clause is not applicable to Scanpower.

Audit outcome

Not applicable

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The Audit Compliance Report, LIS report 05 November 2019 and EDA report were checked for the audit period and new connections process discussed with Scanpower staff.

Audit commentary

The new connection process is effective and conscientiously followed by Scanpower.

Customers or their agents apply directly to Scanpower for a new connection to the network. Application details are recorded in the ICP database and a network capacity check completed. Once the application is approved the customer is provided with the connection fees and once they have paid the fees (or deposit where works need to be completed to enable the connection) Scanpower will create the ICP in the registry with a status of new and issue the ICP to the customer or their agent instructing them to engage with a retailer. All supporting information such as price category code, loss factor and connection type are assigned to the ICP when the ICP is initially created in the registry.

New ICPs and their attributes are recorded in the ICP Database. A SFTP file updates the registry with the new ICP information

Scanpower receiving an acceptance of an ICP from a retailer will trigger an update an ICP status to ready in the registry.

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

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Report, LIS report 05 November 2019 and EDA report were checked for the audit period and discussed with Scanpower staff. In addition, 12 randomly selected new ICP connections were checked.

1. 39 new ICP connections were made active in the registry during the audit period
2. 7 ICPs (17.95%) of those ICPs had no IECD populated in the registry
3. Of the IECDs populated in the registry during the audit period 5 were input more than 10 days after the IECD date
4. 2 ICPs have IECD dates that differ from the metering commissioning date.

Audit commentary

Scanpower informs the retailer of the agreed network connection date. Scanpower staff carry out the connection to the network on the agreed date and notify the retailer of the completed ICP connection and energisation status. Scanpower staff no longer install metering, and this

work is now completed by a separate contractor. Scanpower tries to co-ordinate the physical network connection with the metering contractor. This cannot always be achieved where co-ordination with the meter installer has not been achieved, the ICP by agreement, may be connected to the network and livened to a suitable disconnect point (locked off and tagged) prior to metering point. In these situations, the ICP active and metering commissioning dates in the registry will be a date following the IECD

Scanpower staff return the Electrical Safety Certificate (ESC) to the office and the IECD is entered into the ICP Database and the registry.

Where there are missing IECD in the registry it is noted the date is usually populated in the ICP Database also the ESC (trigger for registry update) may be received later than ideal.

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

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 16-Oct-18 To: 06-Nov-19	Initial Electrical Connection Date (IECD) was not recorded for 17.95% of new ICPs. Some IECD populated in the registry more than 10 days after the event Potential impact: Low Actual impact: Low Audit history: none Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because processes and exception reporting are in place Impact on settlement outcomes is minor therefore audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Review processes to ensure currency		March 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to run reporting		Ongoing	

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The LIS file 29 October 2019, EDA file for the audit period were checked and the new connection process was reviewed and discussed with Scanpower staff. In addition, 12 randomly selected new ICP connections were checked. All were found to have the required retailer acceptance logged in the ICP database. However, there was 1 discrepancy identified where a retailer acceptance had not been updated in the registry prior to it being connected to the network.

Audit commentary

Scanpower manages this using the ready status. Retailers advise they accept an ICP by sending an email to the Scanpower service email inbox, this detail is recorded in the ICP database and the registry is updated to ready status.

ICP 0001501950CA114 the retailer accepted responsibility on 04 June 2019, however the ICP had been connected to the network on 4 April 2019.

Scanpower has no shared unmetered load on its network.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: Clause 11.17) From: 16-Oct-18 To: 06-Nov-19	One discrepancy identified where a retailer had not accepted responsibility for an ICP prior to it being connected to the network. Potential impact: Low Actual impact: Low Audit history: none Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because processes and exception reporting are in place Impact on settlement outcomes is minor therefore audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Review processes to ensure currency		March 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to run exception reporting		Ongoing	

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

A check of the Audit Compliance Summary Report was completed, and the new connection process was discussed with Scanpower staff. In addition, 12 randomly selected new ICP connections were checked. All were found to have the required retailer acceptance and connection request logged.

Audit commentary

This was non-compliant at the last audit.

Scanpower monitors the service email inbox for the inspector and/or metering installer to request the ICP to be connected, a date will be agreed for livening with the inspector and co-ordinated with the metering installer. Scanpower notifies the retailer of the agreed network connection date, the retailer responds with an email agreeing with the connection date, this is logged in the ICP database

Scanpower has no shared unmetered load on its network.

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

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

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

Audit observation

This was discussed with Scanpower staff.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10.30

Code related audit information

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

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

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

Audit observation

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

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.30(A)

Code related audit information

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

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

Audit observation

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

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

yyyyyyyyyyxxccc where:

- *yyyyyyyyyy is a numerical sequence provided by the distributor*
- *xx is a code that ensures the ICP is unique (assigned by the Authority to the issuing distributor)*
- *ccc is a checksum generated according to the algorithm provided by the Authority.*

Audit observation

A check of the Audit Compliance Summary Report the LIS file 05 November 2019 was completed, and the new connection process was discussed with Scanpower staff.

Audit commentary

ICP numbers are created and uploaded to the registry once the new connection application process is completed.

Unique ICP numbers are generated with a network connection number derived from historical meter reading rounds combined with the distributor code CA. The final ICP identifier is coded in a way that indicates the geographical location of a network connection. The connection number is run through the checksum application provided by the Electricity Authority. Once it is created the ICP number is manually copied to the ICP database and is then uploaded to the registry via the web interface.

We verified that the tool creates ICPs with the correct format.

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

A check of the Audit Compliance Summary Report the LIS file 05 November 2019 was completed, and the new connection process was discussed with Scanpower staff.

Audit commentary

All ICPs have a single loss category assigned.

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

A check of the Audit Compliance Summary Report, the LIS file 05 November 2019 and the new connection process was discussed with Scanpower staff.

Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. Application details are recorded in the ICP database and a network capacity check completed. Once the application is approved the customer is provided with the connection fees and once they have paid the fees (or deposit where works need to be completed to enable the connection) Scanpower will create the ICP in the registry with a status of new and issue the ICP to the customer or their agent instructing them to engage with a retailer. A single price category code is assigned to the ICP in the registry when the ICP creation is uploaded to the registry

Scanpower receiving an acceptance of an ICP from a retailer will trigger an update an ICP status to ready in the registry.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

If an ICP has had the status of “New” or has had the status of “Ready” for 24 months or more:

- *the distributor must ask the trader who intends to trade at the ICP whether the ICP should continue to have that status (Clause 15(2)(a) of Schedule 11.1)*
- *the distributor must decommission the ICP if the trader advises that the ICP should not continue to have that status (Clause 15(2)(b) of Schedule 11.1).*

Audit observation

A check of the Audit Compliance Summary Report and the LIS file 05 November 2019 identified:

1x ICP in the registry that has remained in the ready status for more than 24 months.

2x ICPs in the registry that has remained in the new status for more than 24 months.

Audit commentary

Scanpower diligently monitor the new and ready status using updated processes established following previous audit results. ICPs are created in the new status at the completion of the customer new connection process. Once the customer has signed up with a retailer and the retailer emails Scanpower accepting the ICP, Scanpower updates the ICP status in the registry to ready.

ICP 0004907210CA3E3 has been in the new status in the registry since its creation on 21/06/2017. The proposed woolshed connection has been followed up in the registry with confirmation of the address in 2018 and 2019 via the registry. There is no proposed retailer or retailer accepted responsibility for the ICP the registry. Network details in the registry show the ICP to be a proposed woolshed the ICP was followed up in 2018 and 2019.

ICP 0003404956CAEA5 was identified as in the ready status for more than 24 months in the 2018 audit. This was followed up and the retailer requested the ICP status in the registry be changed to new until further notice.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.14 With: Clause 15 Schedule 11.1 From: 16-Oct-18 To: 06-Nov-19	1x ICP has remained in the ready status in the registry for more than 24 months. 1x ICP has remained in the new status in the registry for more than 24 months. (it has been checked twice in that time but not resolved) Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating:1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because processes and exception reporting is in place and monitoring is evident. No impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Review processes to ensure currency		March 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to run exception reporting.		Ongoing	

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

We checked the LIS file 05 November 2019.

Audit commentary

Scanpower does not have any embedded generation with a capacity of 10 MW or greater connected to its network.

Audit outcome

Compliant

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

The new connections process was reviewed and discussed with Scanpower.

Audit commentary

Retailers accept an ICP by sending an email to the service email inbox. Once the retailer acceptance has been received Scanpower will update the ICP database and change the ICP status to Ready in the registry. Scanpower monitors the service inbox for the inspector and/or metering installer to request the ICP to be connected, a date will be agreed for living with the inspector and co-ordinated with the metering installer. Scanpower informs the retailer of the agreed network connection date. Scanpower staff carry out the connection to the network on the agreed date and notify the retailer of the completed ICP connection and energisation status. Where co-ordination with the meter installer has not been achieved the ICP may be connected

to the network and livened to a suitable disconnect point (locked off and tagged) prior to metering point.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The Audit Compliance Summary Report, the EDA file for the audit period and 10 randomly selected samples from each category identified:

Activity	Total number of updates		No of updates later than 3BD		Date range of updates [BD]	
	2019	2018	2019	2018	2019	2018
Address	972	7989	0	3 (0.4%)	N/A	15 - 117
Network	103	28	8 (7.77%)	0		N/A
Pricing	51	48	2 (3.92 %)	3 (6.25%)	6 - 16	6 - 117
Status (3)	17	52	0	51 (98%)	N/A	10 - 1040

Audit commentary

There was significant improvement in the timeliness of the registry information updates reviewed for addresses, pricing and decommissioned ICP status. The network changes greater than 3 days were attributed to 2 distributed generation ICP updates, 5 IECD registry updates and 1 ICP that had historical information updated. There was further effort by Scanpower during the audit period to correct historical address information. It was noted that retailers continue to request backdated

event dates for distributor information, Scanpowers preference is to comply with clause 11.2 provide accurate information to the registry.

Information changes in the registry are made using a combination of the ICP Database registry (with the registry interface) and the Registry web browser interface. The ICP database has a range of exception reports available, and exception reporting is currently run on a 2-month cycle.

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

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of Schedule 11.1 From: 16-Oct-18 To: 06-Nov-19	A small number of registry information updates were greater than 3 business days from the event date. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate as exception reporting is place and appears to be having a positive effect. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Review processes to ensure currency		March 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to run reporting		Ongoing	

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

Code reference

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

Code related audit information

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

If the distributor cannot identify the NSP that an ICP is connected to, the distributor must nominate the NSP that the distributor thinks is most likely to be connected to the ICP, taking into

account the flow of electricity within its network, and the ICP is deemed to be connected to the nominated NSP.

Audit observation

A check of the Audit Compliance Summary Report for the audit period and the LIS file for 05 November 2019 identified no incorrect NSP assignments to ICPs.

Audit commentary

Scanpower has two NSPs on its network, DVK0111 and WVD0111. The configuration of the network does not allow ICPs to “shift” between NSPs.

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 new connections process was discussed with Scanpower. Queries are received typically by phone or email service request. Emails are usually responded to on the same day. Phone queries about ICPs are usually dealt with immediately.

Audit commentary

Scanpower provide the new ICP connection process and related services themselves, so customers or their agents contact Scanpower directly. Queries seeking ICP information or clarification are handled directly by the staff providing the connections process, so the responses are usually immediate.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

A check of the Audit Compliance Summary Report for the audit period and the LIS file 05 November 2019 identified:

77 active ICPs with duplicate addresses.

Audit commentary

Further analysis showed that there were 29 actual duplicate addresses that may be difficult to locate due to the following reasons:

- 16 ICPs were residences where there appeared to be multiple dwellings, but no unit numbers populated in the registry
 - 8 ICPs were shops with no unit numbers or other identifying features populated in the registry.
 - 5 ICPs were offices with no unit numbers or other identifying features populated in the registry
- Scanpower have been putting some effort into identifying and correcting addresses in the registry over the past 2 audit periods. Exception reporting has been developed and a plan is in place to check and correct the addresses. To avoid incorrect addresses at ICP creation, the location of each proposed connection is checked in the GIS system to confirm its exact location and street number.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 2 of Schedule 11.1 From: 16-Oct-18 To: 06-Nov-19	For 29 older ICPs the address descriptions do not allow ICPs to be readily located Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating:1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because new connections are confirmed from GIS system, exception reporting has been effective along with the project to correct the addresses. No impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Review processes to ensure currency		March 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue with the project to correct address information.		Ongoing	

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

Code reference

Clause 3 Schedule 11.1

Code related audit information

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

Audit observation

The new connections process was discussed with Scanpower.

Audit commentary

The network connection process requires every proposed connection to the network (ICP) to be verified against the GIS to ensure it has a discrete disconnect point and connection to the network prior to an ICP being created. There are no known situations where this may occur.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

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

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

- *if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):*
 - a) *the nameplate capacity of the generator; and*
 - b) *the fuel type*
- *the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

Audit observation

A check of the Audit Compliance Summary Report for the audit period and the LIS file 05 November 2019 identified:

1. 77 ICPs with duplicate addresses
2. No UML load details in the distributor field for 1 active ICP
3. 2 ICPs with distributed generation connected with incorrect installation type. Corrected at audit.
4. Initial Electrical Connection Date (IECD) the number of new ICPs connected during this audit period was 39, with IECD not recorded in the registry for 4 of them (10.26 %). They were all corrected at audit.

Audit commentary

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

Significant effort and diligence were evident with relatively low levels of non-compliance in this area during the audit period.

1. Most of the duplicates are farms with multiple ICPs, we note that over 60% of the ICPs with duplicate addresses have had additional information added to the property name field in the registry that would assist location. For example, Pump – same drive as, Cottage. Woolshed or Dairy shed. Scanpower has had a project in place to correct ICP addresses in the registry. An exception report has been developed to identify address discrepancies and we note Scanpower has made 972 address changes in the registry during the audit period.
2. The single anomaly is a Telecom transmitter building. This information is found in the Property Name field rather than the Distributor unmetered load details.
3. During the audit period we noted Scanpower updated 16 ICP records in the registry with the distributed generation fuel type and generation capacity. However, the connection type was not updated for 2 of those ICPs. The Scanpower ICP database records were detailed and showed the COCs for had been received for these ICPs which triggered the Solar fuel and capacity to be updated in the registry, however the installation type was not updated at the same time.
4. Scanpower relies on its field staff to return the Electrical Safety Certificate (ESC) to the office to trigger the input of the IECD into the registry. The process was unsuccessful for these 4 ICPs. The IECD were corrected at audit.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1)(m)(o)(p) of Schedule 11.1 From: 26-May-19 To: 24-Oct-19	Incorrect or missing information in the registry for ICP addresses, UML, distributed generation and Initial Electrical Connection Date Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating:2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because during the audit evidence was produced showing exception reporting in place and plans to correct historical errors. Minor impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Review processes to ensure currency		March 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to run reporting		Ongoing	

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

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

Audit commentary

Scanpower assigns the actual price category code to the ICP at the time an ICP identifier is created and uploaded to the registry.

Audit outcome

Compliant

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

The LIS file of 05 November 2019 was checked.

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The new connection process was discussed with Scanpower and LIS file for 5 November 2019 and EDA files were checked. 10 randomly selected ICPs with registry status updated to ready

during the audit period were checked. There was 1 discrepancy identified where a retailer had not accepted an ICP prior to it being connected to the network.

Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. Application completed details are recorded in the ICP database and a network capacity check completed. Once the application is approved the customer is provided with the connection fees and once they have paid the fees (or deposit where works need to be completed to enable the connection) Scanpower will create the ICP in the registry with a status of new and issue the ICP to the customer or their agent instructing them to engage with a retailer. Retailers advise they accept an ICP by sending an email to the Scanpower service email inbox, this detail is recorded in the ICP database and the registry is updated to ready status.

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

0001501950CA114 the retailer accepted responsibility on 04 June 2019, the ICP had been connected to the network on 04 April 2019. In addition, the IECD date of 04 April 2019 was not updated in the registry until 07/11/2019.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.9 With: 14 of Schedule 11.1 From: 16-Oct-18 To: 06-Nov-19	For 1 ICP the retailer acceptance was received 2 months after the ICP had been connected to the network. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating:2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because exception reporting was in place and was effective. No impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Review processes to ensure currency		March 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to run reporting.		Ongoing	

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

The LIS file dated 05 November 2019 was checked. This was discussed with Scanpower.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The process of decommissioning ICPs was checked using the Audit Compliance Summary Report for the audit period, the LIS file 05 November 2019. The decommission process was discussed with Scanpower. At 05 November 2019 there were 5 ICPs with *inactive-ready for decommissioning* status in the registry. We randomly checked a randomly selected sample of 10 ICPs that had been decommissioned during the audit period. Only 1 anomaly was found, relating to a storm damaged overhead connection that had to be decommissioned for safety.

Audit commentary

Retailers email requests for ICPs to be decommissioned to the Scanpower service inbox. A Scanpower faultman will be dispatched to carry out the decommission and the completion documentation returned to the Scanpower office. The Scanpower ICP database will be updated with the decommission date and the retailer updated via email. Scanpower monitors the registry and when the retailer changes the ICP status to inactive ready for decommissioning Scanpower will update the registry status of the ICP to decommissioned.

ICP 0007802910CA86A found with an anomaly was due to the ICP being decommissioned after storm damage in November 2017. Scanpower had been chasing the retailer since this date to provide the necessary service request to complete the decommission process. Scanpower finally received the request allowing the registry to be updated with a date of 26/08/19.

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 2 months after the date the code is entered in the table.

A price category code takes effect on the specified date.

Audit observation

The Price Category Codes table in the registry was checked.

Audit commentary

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

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

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

Audit commentary

Loss factors have a single value for all trading periods for a year. There are no seasonal loss factor codes for summer or winter. Scanpower has not changed any loss factors since 2008.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

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

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

Audit observation

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

Audit commentary

As above Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit observation

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

Audit commentary

During the audit period Scanpower did not become the owner of embedded network.

Audit outcome

Compliant

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

We examined the NSP mapping table in the registry.

Audit commentary

Scanpower has two balancing areas, DANNEVKSCANG and WOODVLLSCANG. There were no changes to balancing areas.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

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

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

During this audit period Scanpower did not transfer any ICPs.

Audit commentary

As above

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 10.25(2)

Code related audit information

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

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

Audit observation

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

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

Scanpower does not have any and is not responsible for any embedded networks.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

Scanpower did not establish any embedded networks during this audit period.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

Scanpower did not establish any embedded networks during this audit period.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

We reviewed the LIS file dated 05 November 2019 to assess if there is any shared unmetered load connected to the network.

Audit commentary

Scanpower has no shared unmetered load on its network.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The LIS file dated 05 November 2019 was reviewed. There is no shared unmetered load.

Audit commentary

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

Audit outcome

Not applicable

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

We reviewed Scanpower disclosure information and discussed this with Scanpower staff. There has been no change to the loss factors during this audit period.

Audit commentary

Scanpower monitors losses periodically and with a drop in load and UFE trending down there have been no changes to the three loss factors in recent times. Scanpower's average network losses are 7.2% We confirmed that Scanpower published the loss factor and network losses on their website (in the pricing schedule and asset management plan).

Audit outcome

Compliant

CONCLUSION

PARTICIPANT RESPONSE

The 2019 audit was well received. The introduction to the new reporting tool will be of benefit to monitor compliance. Scanpower is happy to take on board any recommendations from the audit findings.