

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**

For

**STRIDE PROPERTY LTD (DMFL)**

Prepared by: Tara Gannon

Date audit commenced: 14 August 2019

Date audit report completed: 5 December 2019

Audit report due date: 11 December 2019

---

## 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 .....	8
1.6. Hardware and Software .....	8
1.7. Breaches or Breach Allegations.....	8
1.8. ICP and NSP Data .....	9
1.9. Authorisation Received .....	10
1.10. Scope of Audit .....	11
1.11. Summary of previous audit .....	11
2. Operational Infrastructure .....	13
2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1)) ..	13
2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2)) .....	13
3. Creation of ICPs .....	14
3.1. Distributors must create ICPs (Clause 11.4) .....	14
3.2. Participants may request distributors to create ICPs (Clause 11.5(3)) .....	14
3.3. Provision of ICP Information to the registry manager (Clause 11.7) .....	15
3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule 11.1) .....	15
3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule 11.1) .....	16
3.6. Connection of ICP that is not an NSP (Clause 11.17).....	17
3.7. Connection of ICP that is not an NSP (Clause 10.31).....	18
3.8. 18 .....	
3.9. Connection of NSP that is not point of connection to grid (Clause 10.30) .....	19
3.10. Temporary electrical connection of NSP that is not point of connection to grid (Clause 10.30(A)) .....	20
3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1) .....	20
3.12. Loss category (Clause 6 Schedule 11.1).....	21
3.13. Management of “new” status (Clause 13 Schedule 11.1).....	21
3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1).....	21
3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1) .....	22
3.16. Electrical connection of a point of connection (Clause 10.33A) .....	22
4. Maintenance of registry information.....	24
4.1. Changes to registry information (Clause 8 Schedule 11.1) .....	24
4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1) .....	25
4.3. Customer queries about ICP (Clause 11.31).....	26

4.4.	ICP location address (Clause 2 Schedule 11.1) .....	26
4.5.	Electrically disconnecting an ICP (Clause 3 Schedule 11.1) .....	27
4.6.	Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1) .....	28
4.7.	Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1) .....	30
4.8.	GPS coordinates (Clause 7(8) and (9) Schedule 11.1) .....	31
4.9.	Management of “ready” status (Clause 14 Schedule 11.1) .....	31
4.10.	Management of “distributor” status (Clause 16 Schedule 11.1) .....	31
4.11.	Management of “decommissioned” status (Clause 20 Schedule 11.1) .....	32
4.12.	Maintenance of price category codes (Clause 23 Schedule 11.1).....	32
5.	Creation and maintenance of loss factors .....	34
5.1.	Updating table of loss category codes (Clause 21 Schedule 11.1).....	34
5.2.	Updating loss factors (Clause 22 Schedule 11.1) .....	34
6.	Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs).....	36
6.1.	Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1).....	36
6.2.	Provision of NSP information (Clause 26(1) and (2) Schedule 11.1) .....	37
6.3.	Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1) .....	37
6.4.	Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1) ....	38
6.5.	Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1) .....	38
6.6.	Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1) .....	39
6.7.	Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2) .....	39
6.8.	Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1) and 10.25(3)) .....	39
6.9.	Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2)) .....	41
6.10.	Obligations concerning change in network owner (Clause 29 Schedule 11.1) .....	43
6.11.	Change of MEP for embedded network gate meter (Clause 10.22(1)(b)) .....	43
6.12.	Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2) .....	44
6.13.	Transfer of ICPs for embedded network (Clause 6 Schedule 11.2).....	44
7.	Maintenance of shared unmetered load .....	46
7.1.	Notification of shared unmetered load ICP list (Clause 11.14(2) and (4)) .....	46
7.2.	Changes to shared unmetered load (Clause 11.14(5)).....	46
8.	Calculation of loss factors .....	47
8.1.	Creation of loss factors (Clause 11.2).....	47
	Conclusion .....	49
	Participant response .....	50

## EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Stride Property Ltd (DMFL)** to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

DMFL's compliance is reliant on the compliance of TENCO, as the contractor. In this report, I have only recorded those matters where issues were discovered or where specific analysis was undertaken.

The audit found seven non-compliances, and no recommendations were made. The next audit frequency table indicates that the next audit be due in 12 months. The controls over all the non-compliances were moderate or strong, and two non-compliances were cleared during the audit. Based on this, I recommend that the next audit should be completed in 18 months.

The matters raised are set out in the table below.

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	Ten late updates to “ready” status for new connections.	Strong	Low	1	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	ICPs 0000815450DFC4E and 0002422350DF9BC did not have initial electrical connection dates populated within ten business days of initial electrical connection.	Moderate	Low	2	Identified
Changes to registry information	4.1	8 Schedule 11.1	Three late status updates for ICPs 0003225122WFB93, 0242002311WFF63, and 0003225140WF4E6.	Strong	Low	1	Identified
ICP location address	4.4	2 Schedule 11.1	Eight ICPs had duplicate addresses, and were corrected during the audit.	Moderate	Low	2	Cleared
Responsibility for metering information for NSP that is not a POC to the grid	6.8	10.25(1) and 10.25(3)	Meter certification details were updated more than 20 business days after the certification date for WQQ0011.	Strong	Low	1	Identified
Responsibility for metering information when creating an NSP that is not a POC to the grid	6.9	10.25(2)	Meter certification details were updated late for new NSP DCQ0011.	Strong	Low	1	Identified
Creation of loss factors	8.1	11.2	Loss factor codes DMFL11 was assigned to 17 ICPs connected to WCW0111 which did not have parent network loss codes consistent with the loss code. Corrections were processed for all of the ICPs during the audit.	Moderate	Low	2	Cleared
Future Risk Rating						10	

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	Description
		Nil	

## ISSUES

Subject	Section	Issue	Description
		Nil	

## 1. ADMINISTRATIVE

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

#### Code reference

*Section 11 of Electricity Industry Act 2010.*

#### Code related audit information

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

#### Audit observation

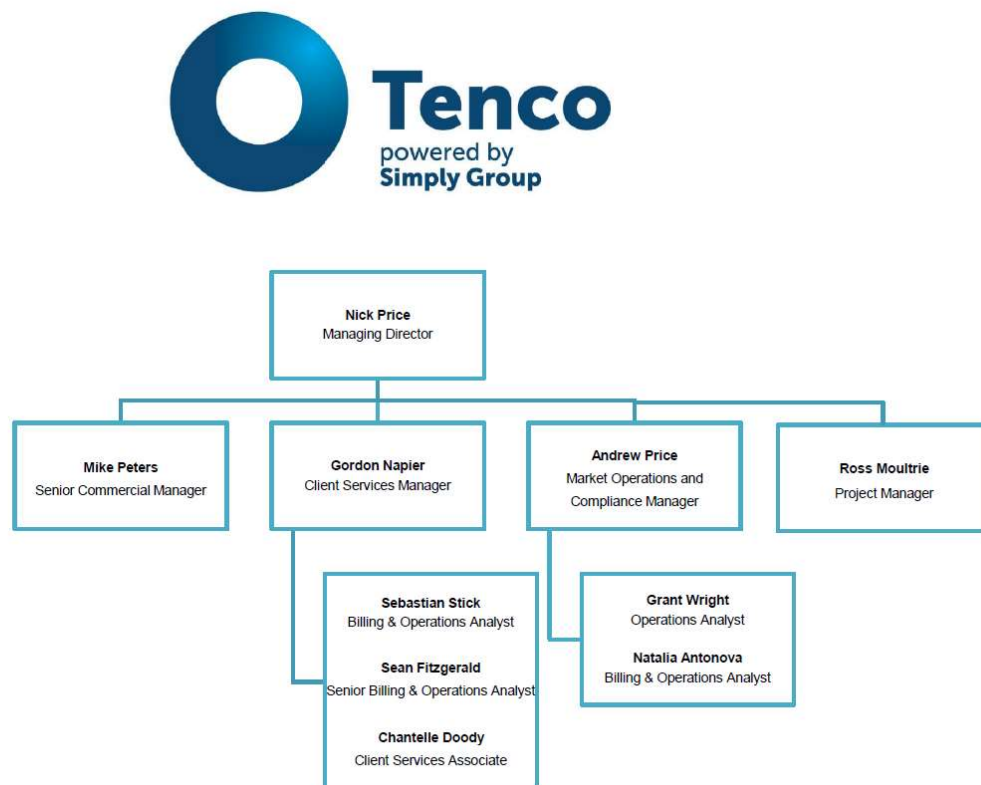
The Electricity Authority website was checked to determine whether DMFL has any Code exemptions in place.

#### Audit commentary

Review of exemptions on the Electricity Authority website confirmed that there are no exemptions in place for DMFL.

### 1.2. Structure of Organisation

TENCO provided an organisation chart:



### 1.3. Persons involved in this audit

Auditor:

**Tara Gannon**

**Veritek Limited**

**Electricity Authority Approved Auditor**

Personnel assisting in this audit were:

Name	Title	Organisation
Grant Wright	Operations Analyst	TENCO
Nick Price	Managing Director	TENCO

### 1.4. Use of contractors (Clause 11.2A)

#### Code reference

*Clause 11.2A*

#### Code related audit information

*A participant who uses a contractor*

- *remains responsible for the contractors fulfillment 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

TENCO performs all DMFL's responsibilities.

### 1.5. Supplier list

All activities covered by the scope of this audit are conducted by TENCO.

### 1.6. Hardware and Software

Hardware and software is discussed in the TENCO agent audit report.

### 1.7. Breaches or Breach Allegations

DMFL has not had any breach allegations relevant to this audit recorded by the Electricity Authority.



## 1.8. ICP and NSP Data

Review of the NSP table showed DMFL had the following NSPs as at 03/06/19. Active ICP numbers are as at 20/05/19.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
DMFL	DGS0011	226 GREAT SOUTH RD AUCKLAND	TAK0331	VECT	DGS0011DMFLE	E	1/1/2017	10
DMFL	DMW0011	MT WELLINGTON SHOPPING CNTR AUCK	PEN0331	VECT	DMW0011DMFLE	E	1/6/2016	13
DMFL	DTE0011	25 TEED ST AUCKLAND	PEN0331	VECT	DTE0011DMFLE	E	1/6/2016	13
DMFL	DTT0011	22 THE TERRACE WELLINGTON	KWA0111	CKHK	DTT0011DMFLE	E	1/11/2015	10
DMFL	FSH0011	FANSHAWE STREET	PEN1101	VECT	FSH0011DMFLE	E	1/5/2008	16
DMFL	OPT0011	OPTIMATION HOUSE	KWA0111	CKHK	OPT0011DMFLE	E	1/2/2009	19
DMFL	WCW0011	WESTFEILD CHARTWELL	HAM0331	WAIK	WCW0011DMFLE	E	1/9/2016	106
DMFL	WCW0111	WESTFEILD CHARTWELL	HAM0331	WAIK	WCW0111DMFLE	E	1/9/2016	17
DMFL	WQG0011	WESTFIELD QUEENSGATE	MLG0331	CKHK	WQG0011DMFLE	E	1/9/2016	158
DMFL	WSG0011	NORTHWEST SHOPPING CENTRE	HEN0331	UNET	WSG0011DMFLE	E	16/4/2015	109
DMFL	WSG0012	NORTHWEST SHOPPING CENTRE AUCK	HEN0331	UNET	WSG0012DMFLE	E	1/8/2016	31

NSPs created during the period (since 01/01/18)								
Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
DMFL	DCQ0011	33 CUSTOMHOUSE QUAY WELLINGTON	KWA0111	CKHK	DCQ0011DMFLE	E	01/05/18	11

No NSPs were decommissioned, or transferred to or from other networks during the audit period.

Status	Number of ICPs (2019)	Number of ICPs (2017)	Number of ICPs (2016)	Number of ICPs (2015)
New (999,0)	1	-	-	-
Ready (0,0)	2	-	26	19
Active (2,0)	513	500	180	139
Distributor (888,0)	-	-	-	-
Inactive – new connection in progress (1,12)	1	1	-	1
Inactive – electrically disconnected vacant property (1,4)	7	10	3	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	3	-	-	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	2	1	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-	-
Decommissioned (3)	36	28	8	6

#### 1.9. Authorisation Received

A letter of authorisation was provided.

#### 1.10. Scope of Audit

This Distributor audit was performed at the request of DMFL, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

The scope of the audit is shown in the table below:

<b>Functions Requiring Audit Under Clause 11.10(4) of Part 11</b>	<b>Contractors Involved in Performance of Tasks</b>
The creation of ICP identifiers for ICPs.	TENCO
The provision of ICP information to the registry and the maintenance of that information.	
The creation and maintenance of loss factors.	

The audit report for TENCO will be submitted with this audit.

#### 1.11. Summary of previous audit

The previous audit was conducted in November 2017 by Tara Gannon of Veritek Limited.

The audit recorded three non-compliances, and one issue. The current status of the non-compliances and issue is listed below.

Subject	Section	Clause	Non-compliance	Status
Timeliness of initial energisation date	3.5	7(2A) of Schedule 11.1	Corrections to the initial energisation date resulted in two late updates.	Still existing
Changes to registry information	4.1	8 Schedule 11.1	12 late pricing updates, and 15 late status updates.	Still existing
Initial energisation dates	4.6	7(1) Schedule 11.1	The initial energisation date for 0003225050DF901 was incorrect, but has now been updated.	Cleared

Subject	Section	Issue	Remedial action	Status
Audit trails for NSP metering information	6.8	There is no audit trail for NSP metering updates via the RM portal.	I suggest the Electricity Authority investigate reporting on notification submission dates and times, so that compliance with these requirements can be assessed.	Auditors can now request notification dates and times from the reconciliation manager to determine compliance.

## 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

The management of this process is discussed in the TENCO report. The registry list file as at 20/05/19, event detail report for 01/01/18 to 20/05/19, and NSP table were examined to confirm compliance.

#### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause. Data completeness and accuracy was reviewed.

17 ICPs connected to WCW0111 had an incorrect loss factor assigned, because the loss factor code was incorrectly mapped. Compliance is recorded in this section because corrections were processed once the issue was discovered.

Non-compliance is recorded in **section 8.1**.

#### Audit outcome

Compliant

### 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

Processes to provide information were reviewed and observed throughout the audit, and as part of TENCO's agent audit.

#### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause. Incorrect information is normally corrected daily, or as soon as possible upon discovery.

#### 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 is discussed in the TENCO audit report.

The registry list as at 20/05/19 and event detail report for 01/01/18 to 20/05/19 were reviewed to identify all new connections during the period and check that ICPs were created as required by this clause.

##### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause. Examination of the registry list found 22 ICPs were created during the report period. ICPs were created in accordance with this clause for all new connections.

##### 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 is discussed in the TENCO audit report. ICP requests are made by embedded network management or traders. If the request is not made by a trader this rule does not apply.

A sample of five new connections were checked to confirm compliance.

##### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

The new connections checked were requested by the customer, not the trader. All the ICPs were created on the date the request was received.

##### Audit outcome

Compliant

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

#### Code reference

Clause 11.7

#### Code related audit information

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

#### Audit observation

The new connection process is discussed in the TENCO audit report.

The registry list as at 20/05/19 and event detail report for 01/01/18 to 20/05/19 were reviewed to identify all new connections during the period and check that information was provided as required by this clause.

#### Audit commentary

Information was provided as required by this clause for all ICPs created during the report period.

#### 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 as at 20/05/19 and event detail report for 01/01/18 to 20/05/19 were examined to determine the timeliness of the provision of ICP information for new connections.

#### Audit commentary

The distributor must provide to the registry the information listed in clause 7(1) of schedule 11.1 as soon as practicable, and before electricity is traded at the ICP.

19 of the 22 new ICPs were electrically connected during the period. All had an address, proposed trader, and pricing information recorded on the registry prior to initial electrical connection.

Ten of the ICPs which were connected to new NSP DCQ0011 did not have "ready" status recorded on the registry prior to initial electrical connection. The ICPs were connected on 01/06/18 and the "ready" status was recorded on 05/06/18. I found that the updates were delayed by Queen's birthday weekend.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 01-Jun-18 To: 05-Jun-18	Ten late updates to “ready” status for new connections. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as strong, because most of the updates were made on time or very close to the initial electrical connection date. The impact is low, because “ready” status was recorded within one business day of initial electrical connection.		
Actions taken to resolve the issue		Completion date	Remedial action status
This was a conversion from a customer network to an Embedded Network – the update to Ready should have been made on the 01/06/2018 which was BD1 however it was not completed until BD2 which was the 05/06/2018.		05/06/2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have increased our process documentation and resource in this area and are confident that this will not reoccur in the future – there is some risk for us when a network goes live on the 1 <sup>st</sup> of the month and this falls on a weekend day as we cannot set at ICP to ready without the NSP being active in Registry.		Ongoing	

### 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 as at 20/05/19 and event detail report for 01/01/18 to 20/05/19 were examined to determine the timeliness of the provision of initial electrical connection date information for new connections.

All late updates were checked, to determine the reasons for the late updates.

#### Audit commentary

19 of the 22 new ICPs created during the report period were electrically connected.



17 of the ICPs had the initial electrical connection date populated on the registry within ten business days of electrical connection, and two ICPs had initial electrical connection dates populated 11 and 22 business days after initial electrical connection. The late updates was caused by:

- the process to update the initial electrical connection date being triggered late due to a backdated update to “active” status by the trader; or
- the ICP being overlooked.

All the initial electrical connection date updates had the correct event date recorded.

### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.5</p> <p>With: Clause 7(2A) of Schedule 11.1</p> <p>From: 02-Nov-18</p> <p>To: 01-May-19</p>	<p>ICPs 0000815450DFC4E and 0002422350DF9BC did not have initial electrical connection dates populated within ten business days of initial electrical connection.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated as moderate as they are sufficient to ensure that initial electrical connection dates are updated on time most of the time. Paperwork is often sent to the retailer first, then passed to TENCO, which can cause delays in updating the initial electrical connection date.</p> <p>The impact is low because two ICPs were affected, and the updates were made within 22 days of initial electrical connection.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The correct IED was added when the ICP was set to Active by the Retailer		2018	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We use Salesforce to refresh to Registry daily – when an ICP is set to Active this comes through on our compliance dashboard which is checked daily and an update to Registry with the IED is made – a check between active date and meter cert date is also completed. As long as a retailer updates within 10 BD we will be compliant in this area.		Ongoing	

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

#### Code reference

Clause 11.17

### Code related audit information

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

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

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

### Audit observation

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

The registry list as at 20/05/19 and event detail report for 01/01/18 to 20/05/19 were examined to determine compliance.

### Audit commentary

As discussed in the TENCO agent audit report, the new connection process requires applications for new connections to be approved by traders.

Review of the registry list confirmed that a trader is currently recorded for all active ICPs, and there is no known shared unmetered load on DMFL's network.

All new connections during the period had proposed trader recorded prior to initial electrical connection.

### Audit outcome

Compliant

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

### Code reference

*Clause 10.31*

### Code related audit information

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

### Audit observation

The new connection process was examined in **section 3.2**. The registry list as at 20/05/19 and event detail report for 01/01/18 to 20/05/19 were examined to determine compliance.

### Audit commentary

As discussed in the TENCO agent audit report, the new connection process requires applications for new connections to be approved by traders. A sample of five of the 19 new connections which were electrically connected during the report period were reviewed, and were approved to be connected by the trader.

Review of the registry list confirmed that a trader is currently recorded for all active ICPs.

### 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 as at 20/05/19 and event detail report for 01/01/18 to 20/05/19 were examined to determine compliance.

#### Audit commentary

All electrically connected ICPs had certified meters on their initial electrical connection date. No temporary electrical connections were identified.

#### 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

One new NSP was created during the audit period:

NSP	NSP start date
DCQ0011	01/05/18

The information required by this clause was provided on time.

#### 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

One new NSP was created during the audit period as described in **section 3.9**. TENCO confirmed that the NSP was not temporarily electrically connected.

#### 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 ICP creation process is discussed in the TENCO audit report.

#### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

#### **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 20/05/19 was examined to confirm whether all active ICPs have a single loss category.

#### **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 as part of the TENCO agent audit.

The registry list as at 20/05/19 and event detail report for 01/01/18 to 20/05/19 were examined to determine compliance.

#### **Audit commentary**

Compliance is recorded in the TENCO audit report in relation to this clause.

One ICP currently has “new” status. Monitoring of ICPs at “new” status is discussed in **section 3.14**. The ICP has not been at “new” status for over 24 months.

#### **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

Monitoring of “new” and “ready” status is discussed in the TENCO report. The list file as at 20/05/19 was examined.

### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

Examination of the list file found one ICPs at “new” status and two ICPs at “ready” status. None of the ICPs have been at “new” or “ready” status for over 24 months.

### 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

The registry list as at 20/05/19 was examined to determine compliance.

### Audit commentary

Review of the registry list confirmed that no embedded generation is connected.

### 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 registry list as at 20/05/19 was reviewed to determine compliance.

#### **Audit commentary**

DMFL obtains permission from the trader before electrically connecting ICPs, as discussed in **section 3.2**.

Review of the registry list confirmed that no unmetered load is connected, apart from residual load ICPs. DMFL does not intend to connect any other unmetered load to the network in the future.

#### **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 13<sup>th</sup> business day and be backdated to the date the change took effect.*

*In the case of decommissioning an ICP, notification must be given by the later of 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 this process is discussed in the TENCO report. I also examined the event detail report for 01/01/18 to 20/05/19 to identify late changes to registry information during the report period.

Initial population of data for new connections is discussed in **sections 3.4** and **3.5**.

#### Audit commentary

When information that is held by the registry changes, the distributor responsible for that ICP must provide notice to the registry of that change within three business days of that change taking effect. The event detail reports were examined to identify backdated event updates.

#### Address events

14 address updates not relating to initial population of address data for new connections were identified. All the updates were made within three business days of the event date.

#### Network events

Ten network updates made by DMFL not relating to initial population of data for new connections were identified. All the updates were made within three business days of the event date.

#### Pricing events

All pricing updates related to initial population of pricing data for new connections, and are discussed in **section 3.4**.

#### Status events

Eight status updates were identified, excluding updates to “new” and “ready” for new connections.

Five updates were made within three business days of the event date, or within three business days of the trader’s update to “ready for decommissioning” status where the update occurred after 01/11/18.

Three updates were made late, and all were within five business days of the event date. Two of the late updates were made within three business days of the trader’s update to “ready for decommissioning”



status, which must be processed prior to decommissioning. One update was delayed during a period where TENCO was temporarily short staffed, and workloads prevented the update from being processed on time.

#### NSP changes

Review of the registry list for 01/01/18 to 20/05/19 confirmed that no NSP changes occurred during the report period.

#### Audit outcome

Non-compliant

Non-compliance	Description	
Audit Ref: 4.1 With: Clause 8 Schedule 11.1  From: 17-Apr-18 To: 10-Dec-18	Three late status updates for ICPs 0003225122WFB93, 0242002311WFF63, and 0003225140WF4E6.  Potential impact: Low  Actual impact: Low  Audit history: Three times  Controls: Strong  Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
<b>Low</b>	Controls are rated as strong, as they are sufficient to ensure updates are on time most of the time. In most cases the late updates were caused by another party's late registry update.  The risk is low as a small number of ICPs are affected, and the registry was updated within five business days of the event date.	
Actions taken to resolve the issue		Completion date
The 2 late and retrospective updates by Retailers that causes us non-compliance should be dealt with by their own audit reports		Through the audit period
Preventative actions taken to ensure no further issues will occur		Completion date
We continue to focus on our level of Compliance, understanding of process and depth of the team to ensure we have coverage		Ongoing
		Remedial action status
		Identified

#### 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 management of this process is discussed in the TENCO report.

The registry list as at 20/05/19 and NSP table were compared to determine compliance.

The registry list for 01/01/18 to 20/05/19 was reviewed to identify any ICPs which had a change of NSP during the report period.

#### **Audit commentary**

Compliance is recorded for TENCO.

I compared the registry list and NSP table and confirmed that all active ICPs were mapped to an NSP consistent with the ICP address information.

Review of the registry list for 01/01/18 to 20/05/19 confirmed that no NSP changes occurred during the report period.

#### **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**

DMFL occasionally receives direct requests for ICP identifiers. These are provided immediately, by looking up the ICP based on information that the customer provides.

#### **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 during the TENCO agent audit. The registry list as at 20/05/19 was reviewed to determine compliance.

### Audit commentary

Review of the registry list identified eight active ICPs with duplicate addresses, and no ICPs with incomplete addresses.

The duplicate addresses were inherited from the previous distributor, and were corrected during the audit. To prevent recurrence of duplicate addresses, including where they are inherited, TENCO intends to use regular SQL queries to verify addresses are complete and unique.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: Clause 2 Schedule 11.1  From: 01-Sep-16 To: 09-Aug-19	Eight ICPs had duplicate addresses, and were corrected during the audit.  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 rated as moderate, as they are sufficient to ensure that most ICPs will have unique and locatable addresses.  The impact is low because in most cases address information was correct, and the affected addresses have been updated.		
Actions taken to resolve the issue		Completion date	Remedial action status
The duplicate addresses were a result of us updating the property name on the ICP's as a result of change of ownership from Westfield – however this change resulted in 8 ICP's not having unique addresses.		August-2019	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We are in the process of moving SF data into ODS tables that will allow us to run regular SQL queries to monitor any non-unique address's that are inherited or come about following an update		Early 2020	

#### 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 is discussed in the TENCO report.

### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

### 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**

Processes to ensure information is accurate were examined during the TENCO agent audit. The registry list as at 20/05/19 was reviewed to determine compliance.

For the 19 new connections which were electrically connected during the report period, the initial electrical connection date, meter certification date, and earliest active date were matched.

I confirmed that all ICPs initially electrically connected by DMFL after 29/08/13<sup>1</sup> had an initial electrical connection date populated.

---

<sup>1</sup> When the code change requiring initial electrical connection dates came into effect.

### Audit commentary

Data completeness and accuracy was reviewed and confirmed compliant unless discussed below

#### Loss factors

17 ICPs connected to WCW0111 had an incorrect loss factor assigned, because the loss factor code was incorrectly mapped. Non-compliance is recorded in **section 8.1**.

#### Initial electrical connection dates

For all 19 new connections, the initial electrical connection date matched the meter certification date.

For 18 of the 19 new connections the initial electrical connection date matched the earliest “active” date. One new ICP had inconsistent “active” and initial electrical connection dates. I confirmed that DMFL’s initial electrical connection date was correct.

I confirmed that all ICPs initially electrically connected by DFML after 29/08/13 had an initial electrical connection date populated.

Event dates were correctly applied for the initial electrical connection date updates for the 19 ICPs which were initially electrically connected during the report period.

### Audit outcome

Compliant

#### 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 this process is discussed in the TENCO report.

The registry list as at 20/05/19 and event detail report for 01/01/18 to 20/05/19 were reviewed to identify all new connections during the period and check that pricing information was provided as required by this clause.

### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

As discussed in **section 3.4**, all ICPs had pricing information recorded on the registry prior to initial electrical connection.

### 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 20/05/19 was examined to confirm compliance.

##### Audit commentary

DMFL does not record GPS coordinates on the registry.

##### 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

Processes to manage ICPs at “ready” status were reviewed as part of the TENCO agent audit.

The registry list as at 20/05/19 was reviewed to identify all ICPs at “ready” status.

##### Audit commentary

The registry list recorded two ICPs at “ready” status. Both remain at “ready” because they have not been electrically connected.

##### Audit outcome

Compliant

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

##### Code reference

*Clause 16 Schedule 11.1*

#### Code related audit information

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

#### Audit observation

The registry list for 01/01/18 to 20/05/19 was reviewed to identify any ICPs at distributor status.

#### Audit commentary

The distributor status was not used at all during the report 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 management of this process is discussed in the TENCO report. The registry list as at 20/05/19, and event detail report for 01/01/18 to 20/05/19 were reviewed to determine compliance.

#### Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

Eight ICPs were decommissioned during the report period, and the registry was updated in accordance with this clause. The timeliness of updates to decommissioned status are discussed in **section 4.1**.

No ICPs are currently at “ready for decommissioning” status.

#### 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 to determine compliance.

#### **Audit commentary**

No price categories were created during the audit period, and one price category code was end dated.

#### **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 to determine compliance.

#### Audit commentary

No new loss category codes were 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 two loss factors per calendar month. Each loss factor must cover a range of trading periods within that month so that all trading periods have a single applicable loss factor.*

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

#### Audit observation

The loss category code table on the registry was examined to determine compliance.

#### Audit commentary

DMFL updated the loss factor values for the following codes during the audit period in accordance with this clause:

Loss factor	Updated from
DMFL01	01/07/19
DMFL02	01/05/18 and 01/05/19
DMFL03	01/05/18 and 01/05/19
DMFL09	01/07/19

Loss factor	Updated from
DMFL10	01/07/19
DMFL11	01/05/19
DMFL12	01/05/18 and 01/05/19
DMFL15	01/05/19

There was a maximum of one loss factor per loss factor category code per month, and all trading periods had a single applicable loss factor.

#### Audit outcome

Compliant

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

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

#### Code reference

*Clause 11.8 and Clause 25 Schedule 11.1*

#### Code related audit information

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

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

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

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

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

#### Audit observation

The NSP table was examined.

#### Audit commentary

No NSPs were decommissioned, and no NSPs transferred from DMFL to other networks during the audit period.

One new NSP was created during the audit period:

NSP	Start date	Comment
DCQ0011	01/05/18	New ICP created by DMFL.

Written notice was provided to all parties as required by this clause.

#### Audit outcome

Compliant

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

### Code reference

*Clause 26(1) and (2) Schedule 11.1*

### Code related audit information

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

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

### Audit observation

The NSP table was examined. Notifications were reviewed.

### Audit commentary

One new NSP was created during the audit period:

NSP	Start date
DCQ0011	01/05/18

A request to create an NSP identifier was provided to the RM as required by this clause.

### 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 examined. Notifications were reviewed.

### Audit commentary

One new NSP was created during the audit period, and correct balancing area information was provided in accordance with this clause.

NSP	Start date	Balancing area
DCQ0011	01/05/18	DCQ0011DMFLE

## 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 one 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 and the registry list for 01/01/18 to 20/05/19 were examined. Notifications were reviewed.

#### Audit commentary

One new NSP was created during the audit period:

NSP	Start date	Comment
DCQ0011	01/05/18	New ICP created by DMFL.

Written notice was provided to all parties as required by this clause.

## Audit outcome

Compliant

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

#### Code reference

Clause 24(2) and (3) Schedule 11.1

#### Code related audit information

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

#### Audit observation

The NSP table was examined.

#### Audit commentary

No balancing areas were changed during the audit period.

#### **Audit outcome**

Compliant

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

##### **Code reference**

*Clause 27 Schedule 11.1*

##### **Code related audit information**

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

##### **Audit observation**

The NSP table was examined.

##### **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 three business days before the transfer takes effect.*

##### **Audit observation**

The NSP table and the registry list for 01/01/18 to 20/05/19 were examined.

##### **Audit commentary**

No ICPs were transferred from other networks 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**

Processes to ensure that meters are present and certified were reviewed as part of the TENCO agent audit.

The NSP table was examined, and notifications were reviewed.

#### **Audit commentary**

Compliance is recorded for TENCO.

The NSP table was reviewed:

Distributor	NSP POC	Description	MEP	Certification Expiry
DMFL	DCQ0011	33 CUSTOMHOUSE QUAY WELLINGTON	AMCI	01/06/2028
DMFL	DGS0011	226 GREAT SOUTH RD AUCKLAND	AMCI	30/11/2026
DMFL	DMW0011	MT WELLINGTON SHOPPING CNTR AUCK	AMCI	01/02/2026
DMFL	DTE0011	25 TEED ST AUCKLAND	AMCI	20/04/2026
DMFL	DTT0011	22 THE TERRACE WELLINGTON	AMCI	14/12/2020
DMFL	FSH0011	FANSHAWE STREET	AMCI	24/08/2019
DMFL	OPT0011	OPTIMATION HOUSE	AMCI	17/05/2023
DMFL	WCW0011	WESTFEILD CHARTWELL	AMCI	07/12/2019
DMFL	WCW0111	WESTFEILD CHARTWELL	AMCI	11/07/2024
DMFL	WQG0011	WESTFIELD QUEENSGATE	AMCI	21/10/2019
DMFL	WSG0011	NORTHWEST SHOPPING CENTRE	AMCI	15/04/2025
DMFL	WSG0012	NORTHWEST SHOPPING CENTRE AUCK	AMCI	19/08/2026

All NSPs have certified metering installations. WQG0011 and WCW0111 had meter certification details updated during the audit period.

- WCW0111's meter certification details were updated on time.
- WQG0011's meter certification details were updated more than 20 business days after re-certification. The late update was primarily caused by delays in receiving the meter certification details.



TENCO submitted a code change request on 29/05/19, asking the Authority to consider including embedded network gate meter details on the registry, so that the MEP can maintain these details. The request is under consideration.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.8 With: Clause 10.25(1) and 10.25(3)  From: 23-Nov-17 To: 18-Mar-19	Meter certification details were updated more than 20 business days after the certification date for WQQ0011. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are strong, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low. The meter was certified at all times.		
Actions taken to resolve the issue		Completion date	Remedial action status
The late delivery of meter recert paperwork from the MEP caused our noncompliance – we actively monitor and manage meter cert expiry dates however where the MEP certifies early and does not send us paperwork when this occurs we end up breaching the 20 BD rule here.		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
TENCO submitted a code change request on 29/05/19, asking the Authority to consider including embedded network gate meter details on the registry, so that the MEP can maintain these details. The request is under consideration. We continue to work with AMS and FCLM on the timely provision of metering certs and proactively monitor and chase where certification expiry is pending.		Ongoing	

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

Processes to ensure that meters are present and certified were reviewed as part of the TENCO agent audit.

The NSP table was examined, and notifications were reviewed.

#### Audit commentary

Compliance is recorded for TENCO.

One new NSP was created during the audit period:

NSP	NSP start date
DCQ0011	01/05/18

The meter certification details were provided late on 19/06/19. This is recorded as non-compliance below.

#### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.9 With: Clause 10.25(2)  From: 01-May-18 To: 19-Jun-18	Meter certification details were updated late for new NSP DCQ0011. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	The controls are strong, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low. The meter was certified at all times.

Actions taken to resolve the issue	Completion date	Remedial action status
For DCQ0011 this was a conversion from a customer network with a single tenant to an Embedded Network on the 01/06/2019 – the existing metering was recertified from the GN ICP to the EN ICP but this was after the fact and paperwork was late in coming to us from the MEP	19/06/2019	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We are requesting meter recerts as early as possible and could have put the GN ICP's meter cert date in the RM NSP metering table as the meter was not swapped out just recertified – we however opted to wait for the new paperwork to come to us which resulted in the non-compliance.	Ongoing	

#### 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 table was examined.

##### Audit commentary

DMFL has not acquired any networks.

##### 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 management of this process is discussed in the TENCO report. The NSP table was examined to determine whether there have been any MEP changes during the audit period.

#### **Audit commentary**

There have been no MEP changes 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 table and the registry list for 01/01/18 to 20/05/19 were examined.

#### **Audit commentary**

DMFL has not acquired any networks during the period.

Review of the registry list confirmed that there were no ICPs with event start dates after 01/01/18.

#### **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 table was examined.

**Audit observation**

DMFL has not acquired any networks.

**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

The registry list for 01/01/18 to 20/05/19 was examined to determine compliance.

#### Audit commentary

Examination of the registry list confirmed that no shared unmetered load is connected.

#### 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 01/01/18 to 20/05/19 was examined to determine compliance.

#### Audit commentary

Examination of the registry list confirmed that no shared unmetered load is connected.

#### 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 calculation of loss factors is discussed in the TENCO report.

#### Audit commentary

Compliance is recorded for TENCO, and I confirmed that there have been no changes to this process since the last TENCO audit.

TENCO derives loss factors for loss category codes from the published parent network loss factors for similar installations. It is expected that ICPs on embedded networks will have the same loss factor as a similar type of connection on the parent network.

To do this, TENCO determines the gateway loss factor from the LE ICP's loss factor, then determines the local network loss factor which would be likely to apply to the embedded network ICPs if they were connected to the local network. TENCO then calculates the overall loss factor, and multiplies this by the local network loss factor to determine the value for each embedded network loss factor code.

TENCO maintains the internal loss factors in the registry, and within their pricing schedules which are issued to retailers.

I stepped through the process and confirmed that the loss factors were calculated and assigned as expected, except for 17 ICPs connected to NSP WCW0111 which were incorrectly mapped to loss code DMFL11.

Loss code DMFL11 corresponds to parent network loss code 533. The LE ICP for WCW0111 has parent network loss code 532, and loss code DMFL15 is expected to be applied. Loss code corrections to DMFL15 were carried out for all 17 affected ICPs.

#### Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 8.1</p> <p>With: Clause 11.2</p> <p>From: 01-Jan-18</p> <p>To: 01-Sep-19</p>	<p>Loss factor codes DMFL11 was assigned to 17 ICPs connected to WCW0111 which did not have parent network loss codes consistent with the loss code. Corrections were processed for all of the ICPs during the audit.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>The controls are moderate, because 97% of ICPs had the correct loss factor assigned. DMFL intends to take corrective action to prevent recurrence.</p> <p>The impact is low because there was a small impact on loss factors. DMFL11 has a loss factor of 1.0288 and DMFL15 has a loss factor of 1.0369.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Upon notification from Tara we updated the incorrect loss factors as soon as possible and to align with the 1 <sup>st</sup> of the month for reconciliation purposes		01/09/2019 & 01/11/2019	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We believe our controls are strong in this area and we monitor changes from the local area networks that would impact our loss codes, the incorrect Loss Code on these 17 ICP's was a one off as a result of the transfer of ICP's from a previous network operator.		Ongoing	



## CONCLUSION

DMFL's compliance is reliant on the compliance of TENCO, as the contractor. In this report, I have only recorded those matters where issues were discovered or where specific analysis was undertaken.

The audit found seven non-compliances, and no recommendations were made. The next audit frequency table indicates that the next audit be due in 12 months. The controls over all the non-compliances were moderate or strong, and two non-compliances were cleared during the audit. Based on this, I recommend that the next audit should be completed in 18 months.

## PARTICIPANT RESPONSE

Tenco on behalf of DMFL have reviewed the above report prepared and concur with the findings contained within it.