

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

MARLBOROUGH LINES

Prepared by: Ewa Glowacka

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EXECUTIVE SUMMARY

This reconciliation participant audit was performed at the request of Marlborough Lines (MARL) to encompass the Authority's request for annual audits, as required in clause 11.10 of Schedule 11, of the Electricity Industry Participation Code 2010, to assure compliance with the Code 2010. The relevant rules audited are as required by the Guidelines for Distributor Audits V7.0 issued by the Electricity Authority.

The number of ICPs on the Marlborough Lines network increased by around 496. The company achieved a good level of compliance.

6 non-compliances were found during the audit. Improvements have been made in the following areas since the last audit:

- Accuracy of information in the registry
- Decreased number of late updates to registry information

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 Distributor audit provides some guidance on this matter. The Future Risk Rating score is 9 which results in an indicative audit frequency of 12 months. Our recommendation is 18 months because identified non-compliances were caused by a small number of ICPs.

We thank Marlborough Lines for its full and complete cooperation in this audit.

AUDIT SUMMARY

NON-COMPLIANCES

| Subject | Section | Clause | Non-Compliance | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|--|---|------------------------|--|----------|-------------------|--------------------|-----------------|
| Requirements to correct errors | Error! Reference source not found. | 11.2(2) of Part 11 | Missing data is corrected but in a few cases is identified late, it results in backdating transactions in the registry | Strong | Low | 1 | Identified |
| Timeliness of provision of Initial Electrical Connection Date | Error! Reference source not found. | 7(2A) of Schedule 11.1 | 9 ICPs (1.9%) electrically connected since the last audit had Initial Electrical Connection Date populated later than 10 business days | Moderate | Low | 2 | Identified |
| Changes to registry information | Error! Reference source not found. | 8 of Schedule 11.1 | Late pricing updates for a small percentage of ICPs (4.2%) and network updates (27.6%) | Moderate | low | 2 | Identified |
| ICP location address | Error! Reference source not found. | 2 of Schedule 11.1 | Ten ICPs had duplicate addresses that did not allow them to be readily located | Strong | Low | 1 | Identified |
| Distributor to provide ICP information to the registry manager | Error! Reference source not found. | 7(1) of Schedule 11.1 | A very small number of ICPs had information missing in the registry | Strong | Low | 1 | Identified |
| Updating loss factors | 5.2 | 22(5) of Schedule 11.1 | Late update of two loss factors | Moderate | low | 2 | Identified |
| Future Risk Rating | | | | | | 9 | |
| Next Audit Date | | | | | | 12 months | |

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

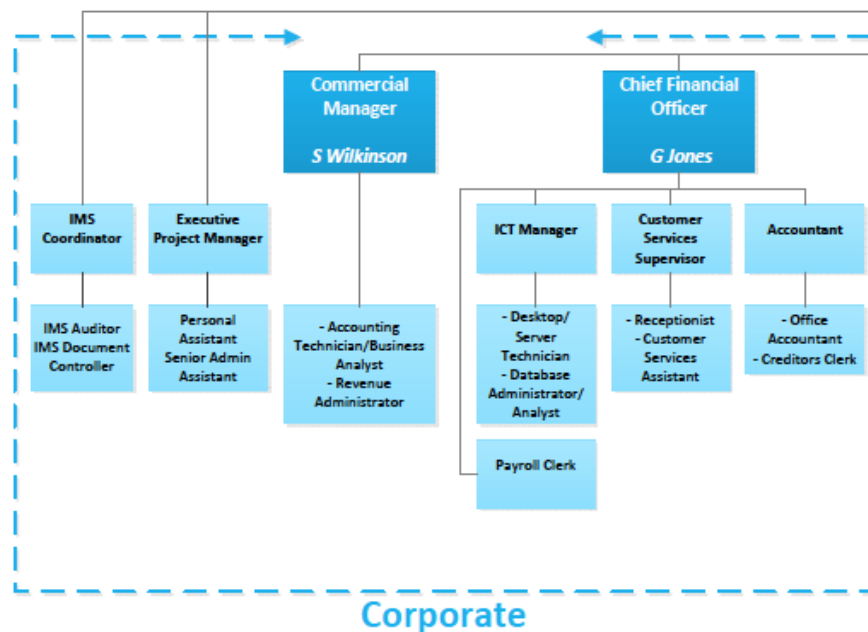
Audit observation

Marlborough Lines confirms that there are no exemptions in place which are relevant to the scope of this audit.

Audit commentary

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

1.2. Structure of Organisation



1.3. Persons involved in this audit

| Name | Title | Company |
|-----------------|--|-----------------------|
| Scott Wilkinson | Commercial Manager | Marlborough Lines Ltd |
| Lucy Elvy | Customer Services Supervisor | Marlborough Lines Ltd |
| Paul Alexander | Network Electrical Inspector | Marlborough Lines Ltd |
| Ewa Glowacka | Electricity Authority Approved Auditor | TEG & Associates Ltd |

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

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

Audit commentary

During the audit, we did not identify any contractors which assist Marlborough Lines to meet their obligation.

1.5. Supplier list

Gentrack is used by Marlborough Lines for ICP creation and the storing of information (transactions) related to ICPs. It is provided by Gentrack Group Limited.

1.6. Hardware and Software

Gentrack is the main software application used for both ICP creation and data maintenance. This software also handles the registry interface and the updating of ICP information in the registry.

1.7. Breaches or Breach Allegations

We confirm that there were no breaches or breach allegations related to areas covered by this audit.

1.8. ICP and NSP Data

| Distributor | NSP POC | Description | Parent POC | Parent Network | Balancing Area | Network type | Start date | No of ICPs |
|-------------|---------|-------------|------------|----------------|----------------|--------------|------------|------------|
| MARL | BLN0331 | Blenheim | | | BLN0331MARLG | G | 1/05/08 | 26,053 |

| Status | Number of ICPs (19/02/2019) | Number of ICPs (2017) | Number of ICPs (2016) |
|---------------------|-----------------------------|-----------------------|-----------------------|
| New (999,0) | 0 | 0 | 0 |
| Ready (0,0) | 1 | 3 | 1 |
| Active (2,0) | 25,724 | 25,324 | 25,107 |
| Distributor (888,0) | 3 | 3 | 3 |

| | | | |
|--|-------|-------|-------|
| Inactive – new connection in progress (1,12) | 11 | 12 | 9 |
| Inactive – electrically disconnected vacant property (1,4) | 282 | 302 | 324 |
| Inactive – electrically disconnected remotely by AMI meter (1,7) | 27 | 27 | 13 |
| Inactive – electrically disconnected at pole fuse (1,8) | 5 | 8 | 2 |
| Inactive – electrically disconnected due to meter disconnected (1,9) | 0 | 1 | 0 |
| 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) | 0 | 3 | 3 |
| Inactive – reconciled elsewhere (1,5) | 0 | 0 | 0 |
| Decommissioned (3) | 2,402 | 2,277 | 2,190 |

1.9. Authorisation Received

Marlborough Lines 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

This audit was performed at the request of Marlborough Lines, as required by clause 11.10 of Part 11, to assure compliance with the Electricity Industry Participation Code 2010.

The audit covers the following processes under clause 16A.23 of Part 16A performed by Marlborough Lines

- (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 Marlborough Lines premises at 1 Alfred Street in Blenheim, on the 25/26 February 2019. We have followed the audit guidelines as published by the Authority as at the report date in the nature of this audit, in the areas that they reasonably apply under the scope of a distributor's activities.

1.11. Summary of previous audit

The last audit was conducted by Ewa Glowacka of TEG & Associates in Sept'17.

| Subject | Section | Clause | Non-Compliance | Comments |
|---------|---------|--------|----------------|----------|
|---------|---------|--------|----------------|----------|

| | | | | |
|--|---|------------------------|--|--------------|
| Requirements to correct errors | Error! Reference source not found. | 11.2(2) of Part 11 | Incorrect data is corrected but in some cases, if identified late, it results in backdating transactions in the registry. It is not a structured process yet | Still exists |
| Timeliness of provision of Initial Electrical Connection Date | Error! Reference source not found. | 7(2A) of Schedule 11.1 | 25 ICPs (7.6%) electrically connected since the last audit had Initial Electrical Connection Date populated later than 10 business days | Still exists |
| Changes to registry information | Error! Reference source not found. | 8 of Schedule 11.1 | Pricing and network updates later than 3 business days for small percentage of ICPs (10%) | Still exists |
| ICP location address | Error! Reference source not found. | 2 of Schedule 11.1 | Six ICPs had duplicate addresses that did not allow them to be readily located | Still exists |
| Distributor to provide ICP information to the registry manager | Error! Reference source not found. | 2 of Schedule 11.1 | 12 ICPs had incorrect or missing data in the registry | Still exists |

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

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

Audit commentary

Marlborough Lines is committed to having complete and accurate data in the registry.

The company has adopted and proactively monitors incorrect or missing information in the registry. The process introduced during the last audit to monitor the Initial Electrical Connection Dates for new installations and the date of electrical connection of solar panels has resulted in less information missing in the registry.

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

Marlborough Lines has developed a number of processes to help them to improve the quality of data in the registry, for example missing Initial Electrical Connection Dates. The company developed a report to compare data in the registry with data in Gentrack. This report is run once per week.

Audit commentary

Marlborough Lines proactively monitors information in the registry. As soon as it is aware that information could be incomplete or inaccurate a correction is made.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|--|-----------------|------------------------|
| <p>Audit Ref: 2.2</p> <p>With: 11.2(2) of Part 11</p> <p>From: 01-Sep-17</p> <p>To: 14-Feb-19</p> | <p>Missing data is corrected but in a few cases is identified late, it results in backdating transactions in the registry.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once previously</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p> | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | <p>We assessed the controls as strong. The company closely monitors information in the registry. Audit risk rating is assessed as low because Marlborough Lines proactively pursues data correction. No impact on settlement outcomes.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| MLL runs a weekly Registry comparison report with equivalent records in Gentrack. Where discrepancies are identified, MLL will fix where appropriate. | | Ongoing | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| As above | | Ongoing | |

3. CREATION OF ICPS

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

The new connections process was reviewed. The process has not changed since the last audit.

Audit commentary

A customer, or its representative, applies for a new connection. The Network Connection Application Form is filled in which states all the essential details of the new installation.

Depending on whether capacity is available in the area, Marlborough Lines adopted the following process

1. The Marlborough Lines network team check if capacity is available in the area. Once confirmed that there is enough capacity in the area, a new ICP is created in Gentrack but not uploaded into the registry. Gentrack assigns NU (New Inquiry) status to the ICP. When the NU status is assigned to the ICP, Gentrack does not upload it to the registry.

Next Marlborough Lines contacts the trader nominated by the customer and asks for acceptance of this ICP. Trustpower sends back a customer application form with a prospect number attached accepting the ICP. At the same time MARL is authorised to electrically connect the ICP. Other retailers send back an ICP acceptance email as a response to the Marlborough Lines notification.

Once the ICP's acceptance is received, a new connection team enters the proposed trader into Gentrack. It changes the ICP's status in Gentrack and it triggers an upload of the ICP's information to the registry. ICP history in the registry shows that Gentrack uploads two consecutive files, the first one does not contain a proposed trader, the second does.

2. If there is not enough capacity in the area, the application form is passed to the Contracting Division, which contacts the customer and provides a quote for work which needs to be done. Once it is accepted and a deposit paid an ICP is created. From this point the process is as described in point 1.

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 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

All ICPs are requested by a customer or its representative, not by traders.

Audit commentary

No requests are accepted from traders therefore this clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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 LIS file dated 19/2/19 was examined.

Audit commentary

An ICP identifier is generated by Gentrack following the process as described in **section 3.1**. Gentrack uploads the UIS file to the registry overnight. A new ICP is uploaded with all the information required which allows the registry to assign the status of "Ready".

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

We reviewed the new connection process, which was described in **section 3.1**.

Audit commentary

We sampled 10 new connections; the results are shown below:

| ICP | ICP created | Acceptance and request to electrically connect | Initial Electrical Connection Date |
|-----------------|-------------|--|------------------------------------|
| 0006601379ML1C0 | 12/12/17 | 27/12/17 | 06/06/18 |
| 0006611199ML99C | 12/12/17 | 27/12/17 | 28/02/18 |
| 0007713162ML6CA | 19/10/18 | 30/10/18 | 01/11/18 |
| 0001130230ML897 | 25/10/18 | 07/11/18 | 18/01/19 |
| 0001179224ML405 | 08/12/17 | 18/12/17 | 19/12/17 |
| 0001116512ML648 | 28/10/18 | 02/11/18 | 08/11/18 |
| 0006606310ML401 | 23/11/17 | 07/12/17 | 21/12/17 |
| 0007709335MLFAE | 25/10/17 | 31/10/17 | 19/12/17 |
| 0005506198MLE27 | 30/01/18 | 02/02/18 | 28/03/18 |
| 0001131875MLCD7 | 05/09/18 | 12/09/18 | 17/09/18 |

The process is robust. An ICP identifier is not created and uploaded to the registry unless it is accepted by a trader. Every day Gentrack automatically uploads ICPs to the registry manager. We did not come across any instances where an ICP was created before an installation was electrically connected.

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The EDA file for the period 01/09/17 to 14/02/19 was examined to assess compliance.

Audit commentary

475 ICPs were electrically connected since the last audit. The EDA file showed that for 3 ICPs the date was not uploaded; it was corrected during the audit.

For 9 ICPs (1.9%) the registry manager was notified later than 10 business days after the date on which the ICP is initially electrically connected. It is a much better result in comparison with the last audit (7.6%).

Installations are electrically connected by Marlborough Lines inspectors or external contractors. Marlborough Lines inspectors send a notification to the office to a generic email, Gentrack is updated the same day. External contractors are slow to provide paperwork that an installation was electrically connected; it is one of the reasons for late updates to the registry. The company has a process for running

a daily report which allows them to identify which installations were electrically connected then follow that up if the paperwork is not received.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|---|-----------------|------------------------|
| Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 01-Sep-17 To: 14-Feb-19 | 9 ICPs (1.9%) electrically connected since the last audit had the Initial Electrical Connection Date populated later than 10 business days 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 | We have recorded the controls as strong. A report run daily allows the tight control of information received. The biggest problem is the external contractors, who are slow in providing paperwork. There is no impact on participants, therefore, audit risk rating is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| MLL continues to run the daily report to compare differences in connections from the previous day. This allows MLL to see which ICPS have been connected overnight and where we may need to follow up to obtain the relevant paperwork. MLL adds comments to the Gentrack connection that the report has picked up that the connection has been connected and that no paperwork has been provided. MLL periodically requests that external contractors submit new electrical connections paperwork in a timely manner. | | Ongoing | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| As above | | 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 (**section 3.1**)

Audit commentary

Marlborough Lines follows the connection process set out in clause 10.31 (**section 3.7**). Before an ICP is uploaded to the registry, the company receives an acceptance of that ICP from a trader chosen by a customer at the time of application. A trader sends an email accepting the ICP and asking for connection. As soon as the ICP is accepted by a trader, the proposed trader is entered into Gentrack and the UIS file is sent to the registry.

The trader is recorded in the registry as accepting responsibility for the ICP before an ICP is connected.

Marlborough Lines does not accept new shared unmetered load.

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 described in **section 3.1**

Audit commentary

The process followed by Marlborough Lines is robust, meeting the requirements of this clause. Marlborough Lines does not connect an ICP unless it is requested by the trader to do so. In **section 3.4** we noted sampling conducted.

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

Marlborough Lines has not been asked to temporarily electrically connect any installation since the last audit.

Audit commentary

If Marlborough Lines is asked by an MEP to temporarily electrically connect it would, but it has not occurred.

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

NSP mapping table in the registry was examined. Marlborough Lines does not have any NSP on its network that is not a point of connection to the grid.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.30(A)

Code related audit information

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

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

Audit observation

NSP mapping table in the registry was examined. Marlborough Lines does not have any NSP on its network that is not a point of connection to the grid.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

xxxxxxxxxxxccc where:

- *xxxxxxxxxxx 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

We reviewed the LIS file dated 19/02/19.

Audit commentary

There is a unique distributor code used within the Marlborough Lines area, this is “ML”. The ICP number is based on a sequential account number, historically based on meter walks. The ICP identifier allows for the geographical location of a new connection, which Marlborough Lines finds useful. Gentrack is hard coded to use “ML” distributor code for any new ICP identifiers.

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

We reviewed the LIS file dated 19/02/19.

Audit commentary

The examination of the LIS file confirmed that each ICP has a single loss category that is referenced to the table of Loss Category Codes stored by the registry. The registry precludes entering loss factor codes which are not specified in the table.

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 LIS and EDA files were examined.

Audit commentary

Marlborough Lines uploads all ICP information and the registry assigns the status of “ready”. The company does not use the status “new” as per the new connection process described in **section 3.1**.

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

We reviewed the LIS file dated 19/02/19.

Audit commentary

According to the LIS file, there were no ICPs with “new” or “ready” status having been in the registry for 24 months or longer. Marlborough Lines has an on-going process to review ICPs status in conjunction with customers and traders.

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:*
 - 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 reviewed the LIS file dated 19/02/19.

Audit commentary

Marlborough Lines does not have an embedded generation station on its network, that has a capacity of 10 MW. The ICP with the highest capacity is ICP 0002272997ML1E6 (2.5MW).

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

It was discussed during the audit. Installations are electrically connected by Marlborough Lines inspectors or external contractors.

Audit commentary

Marlborough Lines electrically connects an ICP only if specifically requested by a trader.

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

Audit commentary

The results of analysis showed the following activities in the registry:

| Activity | Total number of updates | | No of updates later than 3BD | | Date range of updates [BD] | |
|------------|-------------------------|-------|------------------------------|-------------|----------------------------|------------|
| | 2017 | 2019 | 2017 | 2019 | 2017 | 2019 |
| Address | 558 | 750 | 11 (2%) | 34 (4.5%) | Up to 2556 | Up to 20 |
| Network | 760 | 1,467 | 169 (22.2%) | 405 (27.6%) | Up to 791 | Up to 4807 |
| Pricing | 2,113 | 3,197 | 352 (16.7%) | 138 (4.2%) | Up to 431 | Up to 213 |
| Status (3) | 95 | 127 | 89 (93.6%) | 97 (76%) | Up to 256 | Up to 374 |

Network – There were about 456 updates as a result of the installation of solar panels. The updates relate to 192 ICPs. Gentrack, from time to time, deletes the original IECD date when solar information is entered and vice versa or incorrectly updates the type of installation from “B” to “L”. The result is that information must be re-entered which is often are backdated. It is known that Gentrack does not handle updates to the network part of the registry well, additional monitoring is required.

Marlborough Lines set up a good process to track solar installations. The company keeps detailed information about each DG application, date of application, date of approval, a proposed connection date, who a contractor is. The issue which Marlborough Lines faces, like many other networks, is that quite often they do not receive notification of solar panels being electrically connected and import/export meters installed. Marlborough Lines implemented a new process, which regularly checks the Metering

Installation Information file provided by the registry for new import/export meters installed on its network then follows-up with customers.

Pricing – A small number of backdated entries, significantly decreased in comparison with the last audit. About 18 backdated entries were caused by Gentrack “creating” a new price plan which had to be corrected. The majority of changes (95.8%) were done within 3 business days.

On 1st of April every year Marlborough Lines updates the Regional Peak Demand (RPD). In 2018 179 ICPs were updated, 7 updates were uploaded to the registry later than 3 business days.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|---|-----------------|------------------------|
| Audit Ref: 4.1 With: 8 of Schedule 11.1 From: 01-Sep-17 To: 14-Feb-19 | Late pricing updates for a small percentage of ICPs (4.2%) and network updates (27.6%) Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | We have recorded the controls as moderate because they need additional refinement. There is no impact on participants, therefore, audit risk rating is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Network – MLL will continue to routinely check the metering installation information and follow up with customers where appropriate to confirm solar installations. Pricing – MLL has requested Gentrack to resolve the issue where new price plans are being incorrectly created. This is currently under action. MLL will endeavour to update the registry with the correct information on time in future, noting that retailers are separately notified by MLL directly of any changes to RPD values. | | Ongoing | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| | | | |

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 NSP table in the registry was examined.

Audit commentary

Marlborough Lines has only one NSP, BLN 0331. All ICPs are fed from the same NSP.

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

Any request from a customer for advice on an ICP for an existing connection is answered immediately, while the customer is on the phone. Calls from customers are answered by Customer Services who have access to Gentrack, which stores connection/customer information.

Audit commentary

There are not many calls from customers, but Marlborough Lines receives many phone calls from traders or electricians asking to confirm information about specific connections.

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

We reviewed the LIS file to assess compliance.

Audit commentary

We identified 10 ICPs with duplicate addresses therefore a location address did not allow the ICP to be readily located. 6 ICPs are located in rural area, difficult to describe location, the only option would be to have GPS coordinates recorded. Location for two ICPs was resolved. There are two ICPs (0007703353MLF91 and 0007703351MLF14()) in Havelock. District Council assigned the same DP number for both of them. GPS location coordinates would be a solution. Location address for two ICPs was resolved by adding the word “shed” to one of them.

Gentrack does not have a built-in functionality to check for duplicate addresses. Marlborough created a special process that when the ICP identifier based on a sequential account number is created, an operator visually checks addresses in the neighbourhood to check if such an address already exists.

At present Marlborough Lines has not uploaded GPS coordinates into the registry.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|--|--|-----------------|------------------------|
| Audit Ref: 4.4 With: 2 of Schedule 11.1 From: 01-Sep-17 To: 14-Feb-19 | Ten ICPs had duplicate addresses that did not allow them to be readily located 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 | We have recorded the controls as strong. The process used by the company is working well. Very small number of ICPs effected. There is no impact on participants, therefore, audit risk rating is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| MLL, when creating new ICPs, checks that there are no existing ICPs with the same address. MLL will add GPS coordinates where there are address clashes to uniquely identify the location of the ICP. MLL will aim to have this in place by 1 July 2019. | | 01/07/19 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| | | | |

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

There are no known situations where an ICP could not be de-energised without the de-energisation of another ICP. The company policy precludes such a situation.

Audit commentary

This clause has been in place for several years and Marlborough Lines was always found compliant. Before a new ICP is created, a connection is validated (visually) in GIS, which stores all connections on the network.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

- *the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)*
- *the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)*
- *the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)*
- *the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)*
- *the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)*
- *if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):*
 - a) *the unique loss category code assigned to the ICP*
 - b) *the ICP identifier of the ICP*
 - c) *the NSP identifier of the NSP to which the ICP is connected*
 - d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*
- *if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):*
 - a) *a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity*
 - b) *a blank chargeable capacity if the capacity value can be determined for a billing period from metering information collected for that billing period*

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

Audit observation

The LIS and Metering Installation Information files (PR-255) dated 19/02/19 were examined to assess compliance.

Audit commentary

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

- 0007714185ML5DA had incorrect type of load of "L" instead of "B". Closer investigation showed that Gentrack removed the entry from the registry. Solar panel capacity was re-entered, and the type of load changed to "B"
- Missing Initial Electrical Connection Date for 6 ICPs – it was corrected during the audit

There are a very small number of ICPs for which information is missing or is incorrect. For two ICPs (0001196070ML31D and 0002270411ML36B) Gentrack removed the Initial Electrical Connection Date when solar information was uploaded.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|--|-----------------|------------------------|
| Audit Ref: 4.6 With: 7(1) of Schedule 11.1 From: 01-Sep-17 To: 14-Feb-19 | A very small number of ICPs had information missing in the registry 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 | We have recorded the controls as strong. The monitoring process implemented by the company is working well. The level of compliance is better than during the last audit. There is no impact on participants, therefore, audit risk rating is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| MLL will review the NMR (metering) report (from the Registry) which highlights connections where DG has been installed. MLL compares this report to corresponding information in Gentrack and where there are discrepancies will update. MLL continues to lobby Gentrack to improve its functionality so that issues such as this one (the IED disappearing when DG information is added to certain ICP records) are resolved. | | Ongoing | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| | | 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 connection process was examined.

Audit commentary

As a part of the new connections process, Marlborough Lines assigns the actual price category code and the actual changeable capacity (if applicable) of the ICP at the time an ICP is created. The price category code is assigned based on capacity information given by the customer.

Audit outcome

Compliant

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

The LIS file was examined.

Audit commentary

GPS coordinates are not recorded in the registry. 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 examined in **section 3.1**.

Audit commentary

According to the process, Marlborough Lines receives confirmation from a trader accepting an ICP before the ICP is uploaded to the registry. The registry assigns the status “ready”.

Each ICP has a single category assigned.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

The LIS file dated 19/02/19 was examined.

Audit commentary

Marlborough Lines has three ICPs with the status of “distributor”, representing shared unmetered load (private street lights). Information recorded in the registry is correct.

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 EDA file for the period 01/09/17 to 14/02/19 was examined. The decommissioning process was examined.

Audit commentary

Since the last audit Marlborough Lines decommissioned 23 ICPs. The process has not changed since the last audit.

Marlborough Lines decommissions an ICP on request from an electrician, who represents a customer. A job order is created, and a lineman goes on site and removes the equipment. Once it is completed the office is notified and a notification with details is sent to a trader asking it to change the ICP status in the registry to “de-energised - ready for decommissioning”. Once a trader changes the status in the registry Marlborough Lines updates the ICPs status to “decommissioned”.

Marlborough Lines has a report which allows them to track the changes of an ICPs status in the registry, daily. The date of decommissioning is always the date of physical decommissioning even if it means backdating the registry because of waiting for a trader to change the status. The company’s view is that they want to have complete and accurate information in the registry as per the obligations stated in clause 11.2(1) of Part 11.

We found the decommissioning process well designed and executed. All information related to decommissioning is stored in Gentrack.

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 examined.

Audit commentary

New price category codes were added as of 1/4/2013. Marlborough Lines is aware of the obligations which this clause places on a distributor and will fulfil them when it decides to update its price category codes..

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

We examined the Loss Factor Codes table in the registry. There have been no new entries since 1/4/2013.

Audit commentary

Marlborough Lines has two Loss Factor Codes in the registry, no new entries were added since the last audit.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

We examined the Loss Factor Codes table in the registry.

Audit commentary

Both Loss factors have a single value for a whole year, which cover a range of trading periods. There are no seasonal loss factors.

Marlborough Lines updated two loss factors (MLLV and MLHV). MLHV changed from 1.0384 to 1.0343 and MLLV changed from 1.0693 to 1.0587.

Clause 22(5) of Schedule 11.1 says that the date that a loss factor takes effect must not be earlier than 2 months after the date on which the loss factor is entered in the table.

Marlborough Lines did not meet the requirements of this subclause. The registry was updated on 05/02/18. The start date of both loss factors was 01/04/18.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|--|-----------------|------------------------|
| Audit Ref: 5.2 With: 22(5) of Schedule 11.1 From: 01-Feb-18 To: 05-Feb-18 | Late update of two loss factor codes 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 rated as moderate because there are some improvements that can be made to them. Two loss factors were updated late by 5 days before they took effect. There is no impact on settlement outcomes. Audit risk rating rated as low | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| MLL will ensure that the next time loss factors are revised, they will be advised to retailers in accordance with the required timeframe. | | | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| | | | |

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

We examined the NSP mapping table in the registry.

Audit commentary

Based on an examination of the NSP mapping table in the registry it was confirmed that no NSP was decommissioned or a new one created since the last audit. Marlborough Lines has only one NSP BLN0331.

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

Marlborough Lines has not created a new NSP, as described in the previous section, therefore the reconciliation manager was not asked to create a unique NSP identifier.

Audit commentary

This clause is not applicable because Marlborough Lines has not created a new NSP since the last audit.

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

Marlborough Lines has not created a new NSP in last 18 months.

Audit commentary

Compliance was not assessed because a new NSP was not created. It is very unlikely that it ever will.

Audit outcome

Not applicable

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit observation

Marlborough Lines has not established any embedded network since the last audit.

Audit commentary

Marlborough Lines has not established any embedded network since the last audit and there are no plans to do it in the future.

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

Marlborough Lines has one balancing area, BLN0331MARLG. The registry table showed that there were no changes to the balancing area in the last 18 months.

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

Marlborough Lines did not establish any embedded network.

Audit commentary

Marlborough Lines has not transferred any ICP which resulted in an ICP becoming an NSP.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

There were no ICPs transferred by Marlborough Lines.

Audit commentary

Marlborough Lines has not transferred any ICPs. This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

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

Audit commentary

This clause is not applicable to Marlborough Lines 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

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

Audit commentary

This clause is not applicable to Marlborough Lines. 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

Marlborough Lines did not acquire all or part of a new network.

Audit commentary

This clause is not applicable to Marlborough Lines. 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

Marlborough Lines is not an owner of any embedded network.

Audit commentary

This clause does not apply to Marlborough Lines. 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

Marlborough Lines has not established an embedded network since the last audit.

Audit commentary

This clause does not apply to Marlborough Lines. 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

Marlborough Lines has not established an embedded network since the last audit.

Audit commentary

This clause does not apply to Marlborough Lines. 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

The registry file dated 19/02/19 was examined.

Audit commentary

Marlborough Lines does not accept any new shared unmetered load.

There are 3 ICPs with the status “distributor” which represent shared unmetered load. These ICPs were created in 2008. The reconciliation flag is “SI”. To these 3 ICPs there are connected 16 individual ICPs, which represent a single connection, they are shown below:

| Parent ICP | Children ICP | Location |
|-----------------|---|----------|
| 0001162160ML3A8 | 0001162161MLFED 0001162165MLEE7 0001162169MLDF9 0001162173ML5C5 | Blenheim |
| 0001188480MLF2A | 0001188497ML84D 0001188501MLF21 0001188505MLE2B 0001188509MLD35 | Blenheim |
| 0006616380ML307 | 0006616388ML113 0006616394ML8A0 0006616400ML94F 0006616406ML8C0 0006616412ML367 | Picton |

Information recorded in the registry is correct.

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

We checked the EDA file for the period 01/9/17 to 14/02/19. There were no updates to information for shared unmetered load ICPs.

Audit commentary

As per **section 7.1**, , all shared unmetered load ICPs are historic, so there are no additions to shared unmetered load. If Marlborough Lines becomes aware of a change to the capacity of a shared unmetered load, it will update the registry.

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

Marlborough Lines describes, on their website, in simple terms the methodology for their loss factor calculation.

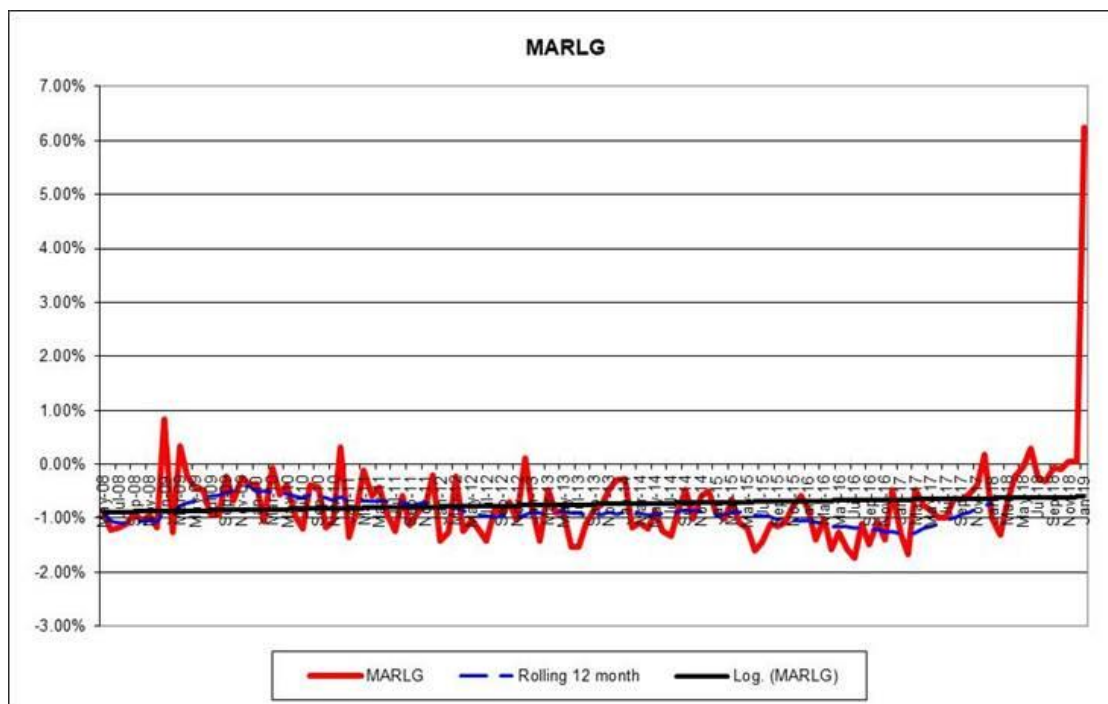
Marlborough Lines has two loss factors MLLV for low voltage metered connections (230V or 400V) and MLHV for 11 kV connections

Audit commentary

Loss factors were recalculated in the last year. As described in **section 5.2**, new values has been allocated to two loss factors. MLHV changed from 1.0384 to 1.0343 and MLLV changed from 1.0693 to 1.0587.

The loss factors for LV and 11 kV metered connections are published on the Marlborough Lines website.

Marlborough Lines closely monitors reconciliation losses and UFE on its network. The below graph shows UFE in last 10 years.



According to the Guidelines, UFE is expected to be within $\pm 1\%$ over the course of any 12 months period.

The 14 month UFE is currently sitting at around 1.2% to -1%.

Audit outcome

Compliant

CONCLUSION

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