

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

**ROBT. JONES ELECTRICITY NETWORK LTD
(RJEN)**

Prepared by: Tara Gannon

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EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Robt. Jones Electricity Network Ltd (RJEN)** 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.

RJEN'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 two non-compliances, and no recommendations were made. The next audit frequency table indicates that the next audit be due in 24 months. The controls over both these non-compliances are strong, and I recommend that the next audit be completed in 36 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
Changes to registry information	4.1	8 Schedule 11.1	Two late updates to decommissioned status.	Strong	Low	1	Identified
ICP location address	4.4	2 Schedule 11.1	14 ICPs with duplicate addresses.	Moderate	Low	2	Identified
Future Risk Rating						3	

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

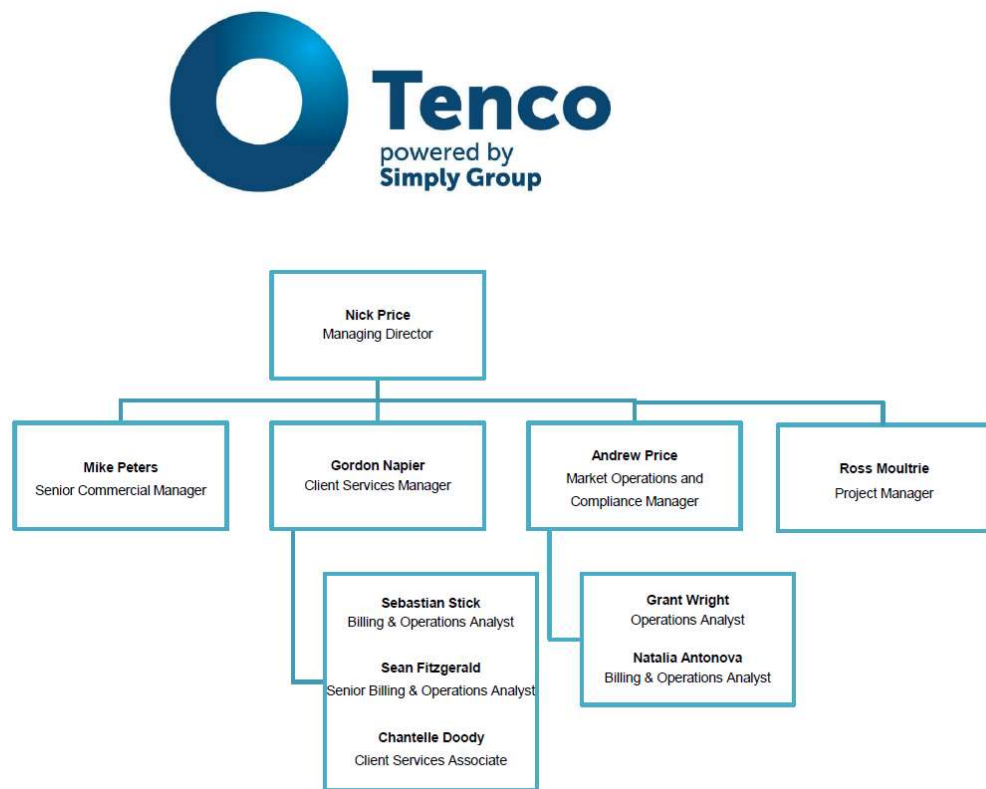
The Electricity Authority website was checked to determine whether RJEN has any Code exemptions in place.

Audit commentary

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

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 RJEN's responsibilities.

1.5. Supplier list

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

1.6. Hardware and Software

TENCO manages a database called END (Embedded Network Database), which contains all relevant embedded network data.

A spreadsheet is used to create ICP identifiers. The checksum is created by the "checksum" tool provided by Vector.

Salesforce hosts all the ICP information, and registry information is imported daily. A daily registry validation is performed within Salesforce and any discrepancies are managed using the salesforce dashboard.

Confluence is used to map processes.

1.7. Breaches or Breach Allegations

RJEN 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 RJEN 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
RJEN	PSP0011	151 QUEEN STREET	PEN1101	VECT	PSP0011RJENE	E	1/03/2017	52
RJEN	RFB0011	FORSYTH BARR	PEN1101	VECT	RFB0011RJENE	E	1/08/2012	54
RJEN	RFO0011	41 Shortland Street Auckland	PEN1101	VECT	RFO0011RJENE	E	9/01/2012	55
RJEN	RNC0011	NEILSEN CENTRE	ALB1101	UNET	RNC0011RJENE	E	1/09/2012	12
RJEN	RSC0011	Robt Jones Southern Cross Building	PEN1101	VECT	RSC0011RJENE	E	1/07/2009	60
NSPs created during the period								
Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
RJEN	RLC0011	117 Lambton Quay Wellington	WIL0331	CKHK	RLC0011RJENE	E	1/02/2018	35
RJEN	RLH0011	152-172 Lambton Quay Wellington	KWA0111	CKHK	RLH0011RJENE	E	1/04/2018	26
RJEN	RWC0011	154 Featherston St Wellington	WIL0331	CKHK	RWC0011RJENE	E	1/02/2018	14

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 (2015)	Number of ICPs (2014)
New (999,0)	-	-	-	-
Ready (0,0)	-	-	-	-
Active (2,0)	308	205	242	103
Distributor (888,0)	-	-	-	-
Inactive – new connection in progress (1,12)	1	-	-	-
Inactive – electrically disconnected vacant property (1,4)	8	7	6	6
Inactive – electrically disconnected remotely by AMI meter (1,7)	1	-	-	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-	-	-
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)	-	-	-	88
Decommissioned (3)	29	21	11	11

1.9. Authorisation Received

A letter of authorisation was provided.

1.10. Scope of Audit

This Distributor audit was performed at the request of RJEN, 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:

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

Functions Requiring Audit Under Clause 11.10(4) of Part 11	Contractors Involved in Performance of Tasks
The creation and maintenance of loss factors.	

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

1.11. Summary of previous audit

RJEN provided a copy of their previous audit conducted in August 2017 by Rebecca Elliot of Veritek Limited. The audit recorded one non-compliance, and made no recommendations. The current status of the non-compliance is listed below.

Subject	Section	Clause	Non-compliance	Status
Changes to registry information	4.1	8 of schedule 11.1	5 changes to registry not updated within three business days of the event.	Still existing

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 was examined to confirm compliance.

Audit commentary

Compliance is recorded for TENCO, and I confirmed that there have been no changes since the TENCO audit that are expected to negatively impact on RJEN's compliance. Confluence is used to map exception management processes.

Examination of the list file confirmed compliance.

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.

Audit commentary

This area is discussed in several sections in this report.

Audit outcome

Compliant

3. CREATION OF ICPs

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

The new connection process was examined as part of 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 ICPs were created as required by this clause.

Audit commentary

Compliance is recorded for TENCO, and I confirmed that there have been no changes since the TENCO audit that are expected to negatively impact on RJEN's compliance.

Examination of the registry list found three ICPs were created during the audit 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 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.

All new connections were checked to confirm compliance.

Audit commentary

Two new connections checked were requested by trader, and one by the customer. All the ICPs were created within three business days of the request being 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 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 audit 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.

Two of the three new ICPs were electrically connected during the period. Both ICPs had a pricing code, address, proposed trader and ready status recorded prior to electricity being traded at the ICP.

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 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.

Audit commentary

Two of the three ICPs created during the audit period were electrically connected. Both ICPs had the initial electrical connection date populated on the registry within ten business days of electrical connection.

Audit outcome

Compliant

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

A review of the registry list confirmed that there is no known shared unmetered load on RJEN's network.

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. Both new connections which were electrically connected during the audit 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 prior 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

The following NSPs were created during the audit period:

NSP	NSP start date
RLC0011	1/02/2018
RLH0011	1/04/2018
RWC0011	1/02/2018

Notifications are made directly on the RM portal, and all information 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

The following NSPs were created during the audit period:

NSP	NSP start date
RLC0011	1/02/2018
RLH0011	1/04/2018
RWC0011	1/02/2018

TENCO confirmed that none of the NSPs were 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:

xxxxxxxxxxxccc where:

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

Audit observation

The ICP creation process 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’s END (Embedded Network Database) is used to create ICP identifiers and the checksum is created by the “checksum” tool provided by Vector.

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

Audit commentary

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

No ICPs have had “new” status assigned during the period.

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

Examination of the list file found no ICPs at “new” status or ICP at “ready” status.

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

RJEN 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. RJEN 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 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 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 audit 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

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

Network events

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

Pricing events

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

Status events

Four status updates were identified, excluding updates to new and ready for new connections.

Two updates were made within three business days of the event date, and two updates were late. I found the delays were caused by late trader updates to ready for decommissioning status, which must be processed prior to decommissioning. Both ICPs were decommissioned within one business day of the trader's ready for decommissioning status update.

NSP changes

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

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 12-Jun-18 To: 09-May-18	Two late updates to decommissioned status. 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	Controls are rated as strong, as they are sufficient to ensure updates are on time most of the time. The late decommissioned status updates were found to be delayed by late trader updates to ready for decommissioning status, and processed within one business day of the trader's update.		
Actions taken to resolve the issue		Completion date	Remedial action status
As noted above by our auditor the registry updates required by a distributor were completed within 1 business day of the trader making the change in registry so we therefore could not have completed this change any earlier than we have.		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
None as systems are in place but a reliant on other industry participants to meet their obligations to allow us to be compliant.		N/A	

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 audit period.

Audit commentary

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

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 audit 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

RJEN 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 14 ICPs with duplicate addresses. The duplicate addresses were inherited from the parent network. RJEN intends to review the records, and add further information to make them unique.

ICP	Unit	No	Region	Street	Suburb	Property Name
0000170309TR7B9		117	Wellington	LAMBTON QUAY	LAMBTON	
0000170307TR422		117	Wellington	LAMBTON QUAY	LAMBTON	
0000170318TR151		117	Wellington	LAMBTON QUAY	LAMBTON	
0000170319TRD14		117	Wellington	LAMBTON QUAY	LAMBTON	
0000154921CK31A		117	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	COMMON AREA
0000154919CK6F6		117	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	COMMON AREA
1001155480CK91E		117	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	TENANCY 1
0000154916CK928		117	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	TENANCY 1
1001155486CK891		117	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	TENANCY 2
0000154917CK56D		117	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	TENANCY 2
0000154918CKAB3		117	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	TENANCY 3
1001155487CK4D4		117	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	TENANCY 3
0000167713TRF05		152	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	
0000167711TRF80		152	Wellington	LAMBTON QUAY	WELLINGTON CENTRAL	

All addresses were sufficient to enable location.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 20-May-19 To: 10-Jul-19	14 ICPs with duplicate addresses. 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 is correct. The duplicate addresses were inherited from a parent network, and will be checked and updated.		
Actions taken to resolve the issue		Completion date	Remedial action status
We inherited these ICP's from WE* when the network was created and they have come onto the network in a non-compliant state – we have contacted the property manager to confirm correct address for each consumer and will update the above ICP's so address's are unique as will reference floor and/or tenancy number also.		02/08/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have robust process on the creation of our own ICP's to ensure that ICP's we create are unique – we will need to add an additional step to transferring ICP's to ensure that when inheriting non-compliant ICP's from a local network that we update these as soon as possible after they are transferred into us.		August-2019	

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 for TENCO.

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 and meter event details report were reviewed to determine compliance.

For the two new connections which were electrically connected during the audit period, the initial electrical connection date, meter certification date and earliest active date were aligned.

Audit commentary

14 ICPs with duplicate addresses were identified, which are recorded as non-compliance in **section 4.4**.

ICP 0000156338CKEAC has a generation profile (PV1) recorded by the trader and import/export metering, but a generation capacity and fuel type are not recorded by RJEN. The trader confirmed that no generation consumption has been recorded since the gain date, and they believe no generation is installed. RJEN's records appear to be correct.

No other inaccurate information was identified.

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

The process followed by TENCO is compliant.

Pricing information was updated on the registry before trading of electricity commenced for all RJEN's new connections.

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

RJEN 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

No ICPs are at “ready” status.

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 audit period.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

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

Four ICPs were decommissioned during the audit 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 or amended during the audit period.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

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

Audit commentary

RJEN has not created any new loss category codes 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

RJEN end dated the following loss factor codes during the audit period:

Loss factor	End dated from
RJCKL03	30/06/19
RJCKL04	30/06/19

RJEN updated the loss factor values for the following codes during the audit period:

Loss factor	Updated from
RJCKL01	01/07/19
RJCKL02	01/07/19
RJLCL01	01/06/18 and 01/05/19
RJUNL01	01/06/18 and 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.

The loss factor table was updated as required by this clause.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The NSP table was examined. Notifications were reviewed.

Audit commentary

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

Three NSPs were created during the period:

NSP	Start date	Comment
RLC0011	1/02/2018	ICPs transferred from Wellington Electricity.
RLH0011	1/04/2018	ICPs transferred from Wellington Electricity.
RWC0011	1/02/2018	ICPs transferred from Wellington Electricity.

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 1 month before the NSP is electrically connected or the ICP is transferred.

Audit observation

The NSP table was examined. Notifications were reviewed.

Audit commentary

Three NSPs were created during the period:

NSP	Start date
RLC0011	1/02/2018
RLH0011	1/04/2018
RWC0011	1/02/2018

Requests to create NSP identifiers were 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

Three new balancing areas were created during the period:

NSP	Balancing area	Start date
RLC0011	RLC0011RJENE	1/02/2018
RLH0011	RLH0011RJENE	1/04/2018
RWC0011	RWC0011RJENE	1/02/2018

Balancing area notifications were provided to the RM as required by this clause.

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

Three NSPs were created during the period:

NSP	Start date	Comment
RLC0011	1/02/2018	ICPs transferred from Wellington Electricity.
RLH0011	1/04/2018	ICPs transferred from Wellington Electricity.
RWC0011	1/02/2018	ICPs transferred from Wellington Electricity.

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 3 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 3 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. Notifications were reviewed.

Audit commentary

The process followed by TENCO is compliant.

For three NSPs, ICPs transferred from an existing network:

NSP	Start date	Comment
RLC0011	1/02/2018	ICPs transferred from Wellington Electricity.
RLH0011	1/04/2018	ICPs transferred from Wellington Electricity.
RWC0011	1/02/2018	ICPs transferred from Wellington Electricity.

In all cases notification was provided more than three days before the transfer took effect.

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined.

Audit commentary

The process followed by TENCO is compliant. The NSP table was reviewed:

Distributor	NSP POC	Description	MEP	Certification Expiry
RJEN	PSP0011	151 QUEEN STREET	AMCI	31/01/2027
RJEN	RFB0011	FORSYTH BARR	AMCI	15/09/2021
RJEN	RFO0011	41 Shortland Street Auckland	AMCI	1/10/2021
RJEN	RLC0011	117 Lambton Quay Wellington	AMCI	16/12/2027
RJEN	RLH0011	152-172 Lambton Quay Wellington	AMCI	5/03/2023
RJEN	RNC0011	NEILSEN CENTRE	AMCI	21/02/2022
RJEN	RSC0011	Robt Jones Southern Cross Building	FCLM	21/09/2026
RJEN	RWC0011	154 Featherston St Wellington	AMCI	17/12/2027
RJEN	PSP0011	151 QUEEN STREET	AMCI	31/01/2027

All NSPs have current meter certification.

Meter certification details have been updated for PSP001 (expiry change from 28/02/19 to 31/01/27) and RSC0011 (expiry change from 09/04/18 to 21/09/26). In both cases data was provided within 20 business days of the meter certification 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.

Audit outcome

Compliant

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

Code reference

Clause 10.25(2)

Code related audit information

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

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

- b) *the MEP for the NSP (Clause 10.25(2)(b)(ii)); and*
- c) *no later than 20 business days after the date of certification of each metering installation, advise the reconciliation participant for the NSP of the certification expiry date (Clause 10.25(2)(c)).*

Audit observation

The NSP table was examined. Notifications were reviewed.

Audit commentary

Three NSPs were created during the period:

NSP	Start date
RLC0011	1/02/2018
RLH0011	1/04/2018
RWC0011	1/02/2018

MEP and meter certification details were provided to the RM as required by this clause.

Audit outcome

Compliant

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

RJEN 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. Notifications were reviewed.

Audit commentary

The process followed by TENCO is compliant.

For three NSPs, ICPs transferred from an existing network:

NSP	Start date	Comment
RLC0011	1/02/2018	ICPs transferred from Wellington Electricity.
RLH0011	1/04/2018	ICPs transferred from Wellington Electricity.
RWC0011	1/02/2018	ICPs transferred from Wellington Electricity.

In addition, review of the registry list identified that ICP 1000754375UN947 transferred from CKHK WIL0331 to RJEN RWC0011 on 01/05/19.

Consent information was obtained and provided within the required timeframe in accordance with this clause.

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

RJEN has not acquired any networks. As detailed in **section 6.12**, some ICPs transferred from a parent network to an embedded network. No ICPs transferred from one embedded network to another, therefore this clause does not apply.

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.

Audit outcome

Compliant

CONCLUSION

RJEN'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 two non-compliances, and no recommendations were made. The next audit frequency table indicates that the next audit be due in 24 months. The controls over both these non-compliances are strong, and I recommend that the next audit be completed in 36 months.

PARTICIPANT RESPONSE

TENCO have reviewed this report on behalf of RJEN, and their comments are contained within its body.