

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

**THE EMBEDDED NETWORK COMPANY
(TENC)**

Prepared by: Tara Gannon

Date audit commenced: 14 August 2019

Date audit report completed: 23 September 2019

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EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **The Embedded Network Company (TENC)** 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.

TENC'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 next audit frequency table indicates an audit risk rating of 18 indicating that the next audit be due in 12 months. I recommend that the next audit be completed in 18 months, after taking into consideration that:

- Two of the non-compliances have been cleared, and remedial actions have been identified and are underway for the remaining non-compliances.
- Controls were assessed to be strong or moderate in all areas.

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
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Incorrect parent NSPs are recorded for TQB0011 and TCL0011 from 01/10/13-13/09/18 following a backdated change to the effective date of the LE ICP NSP by Wellington Electricity. 0001160076TCOCB had an incorrect event date applied for its initial electrical connection date registry update, 21/03/18 was applied instead of 01/04/18.	Strong	Low	1	Identified
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	153 late updates to ready status for new connections. Four late updates to the proposed trader for new connections.	Strong	Low	1	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	38 ICPs did not have initial electrical connection dates populated within ten business days of initial electrical connection.	Moderate	Low	2	Identified
Connection of ICP that is not an NSP	3.6	11.17	Four ICPs did not have a proposed trader recorded prior to initial electrical connection.	Strong	Low	1	Identified
Changes to registry information	4.1	8 Schedule 11.1	Seven late address updates. 26 late network updates. Seven late pricing updates. 28 late updates to decommissioned status.	Strong	Low	1	Identified
ICP location address	4.4	2 Schedule 11.1	Ten ICPs with duplicate addresses, which were corrected to be unique during the audit. Two ICPs with difficult to locate addresses.	Moderate	Low	2	Cleared

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Distributors to Provide ICP Information to the Registry manager	4.6	7(1) Schedule 11.1	Initial electrical connection dates were temporarily incorrect for ten ICPs.	Moderate	Low	2	Cleared
Maintenance of price category codes	4.12	23 Schedule 11.1	Price category code TCPOP03's start date was recorded as 25/05/17 not 25/05/18. Price category code TCPOP03 was not created at least two months before the price category code came into effect.	Strong	Low	1	Identified
Creation and decommissioning of NSPs	6.1	11.8 and Clause 25 Schedule 11.1	Notification of a delayed start date for TFT0011 was not provided on time.	Strong	Low	1	Identified
Provision of NSP information	6.2	26(1) and (2) Schedule 11.1	Notifications of NSP creation for TBW0011 and TGB0011 were not provided to the reconciliation manager at least ten business days before the NSP was electrically connected.	Strong	Low	1	Identified
Notice of supporting embedded network NSP information	6.4	26(4) Schedule 11.1	LE ICP numbers were not provided at least one month before network creation for TBW0011, TFT0011, TGB0011, THH0011 and TPW0012.	Strong	Low	1	Identified
Responsibility for metering information for NSP that is not a POC to the grid	6.8	10.25(1) and 10.25(3)	Meter certification details were updated more than 20 business days after the certification date for WGF0011, PHS0011, TCT0011, TSG0011, TAW0011, WWC0011, WSC0011, TTT0011 and WPK0011.	Strong	Low	1	Identified
Obligations concerning change in network owner	6.10	29 Schedule 11.1	Notifications of a revised start date for a change of network owner for ICPs connected to TFT0011 were not issued to reconciliation participants at least one month before the start date.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Creation of loss factors	8.1	11.2	Loss factor codes TCCKL01, TCLCL01 and TCLCL02 were assigned to 502 ICPs which did not have parent network loss codes consistent with the loss code. For 245 of the ICPs there was no difference in loss factor.	Moderate	Low	2	Identified
Future Risk Rating						18	

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

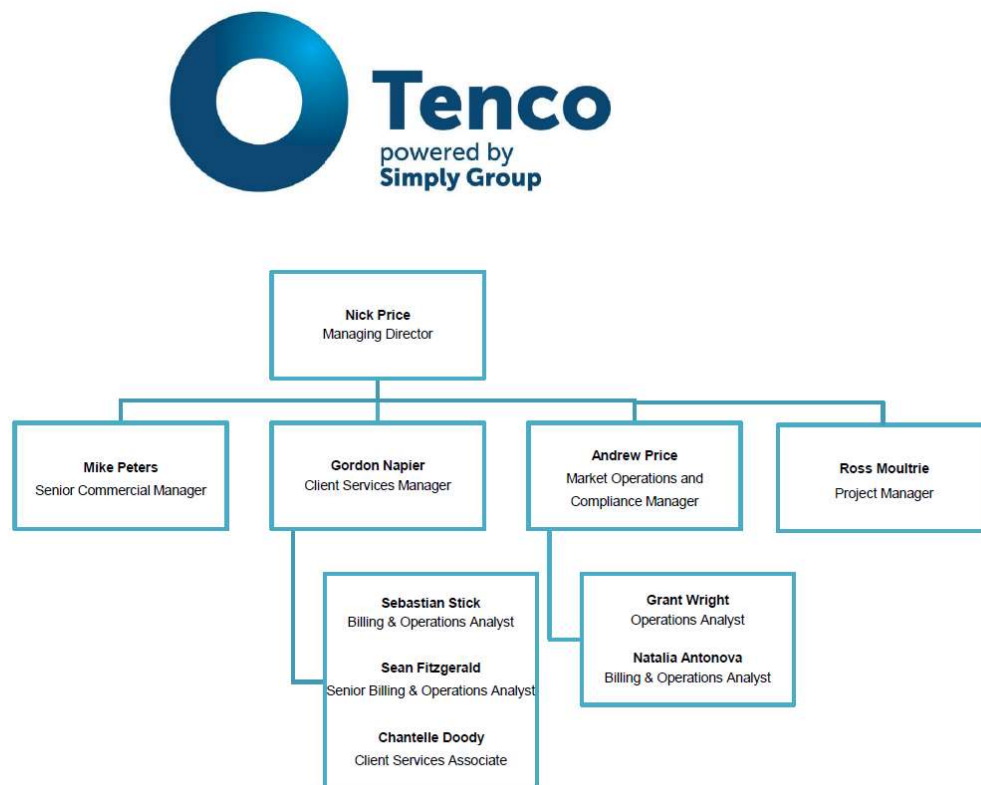
The Electricity Authority website was checked to determine whether TENC has any Code exemptions in place.

Audit commentary

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

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 TENC's responsibilities.

1.5. Supplier list

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

1.6. Hardware and Software

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

1.7. Breaches or Breach Allegations

The Electricity Authority recorded two alleged breaches relevant to the scope of this audit, which are discussed further in **sections 6.1** and **6.2**.

Breach number	Breach date	Clauses breached	Comments	Outcome
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1802TENC1	01/02/2018	Clauses 26(2) of Schedule 11.1	TENC failed to give 1 calendar month notice for the new embedded network TGB0011. TENC submitted the request on 30 January 2018 for a start date of 30 January 2018.	Early closure
1810TENC1	04/12/2018	Part 11 clause 11.8 Part 11 Schedule 11.1 clause 25	Tenco identified they hadn't updated the RM of a delay in start date of TFT0011-TENC from 01/10/2018 to the new date of 01/11/2018.	Early closure

1.8. ICP and NSP Data

Review of the NSP table showed TENC 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 Dist	Balancing Area	Netwk type	Start date	No of ICPs
TENC	CGA0011	48 GREYS AVENUE AUCKLAND	PEN1101	VECT	CGA0011TE NCE	EN	1/09/17	15
TENC	CLN0011	351 LINCOLN ROAD ADDINGTON	ISL0661	ORON	CLN0011TE NCE	EN	1/01/16	8
TENC	CRN0011	51 CORINTHIAN DRIVE PROPERTY	ALB0331	UNET	CRN0011TE NCE	EN	1/10/15	11
TENC	DST0011	OUTLET CITY TAWA	TKR0331	CKHK	DST0011TE NCE	EN	1/05/16	33
TENC	KDH0011	10 WORLEY PLACE	HAM0331	WAIK	KDH0011TE NCE	EN	1/06/18	27
TENC	PHP0011	171 FEATHERSTON ST PROPERTY	CPK0331	CKHK	PHP0011TE NCE	EN	14/09/18	13
TENC	PTC0011	125 THE TERRACE	CPK0331	CKHK	PTC0011TE NCE	EN	14/09/18	25
TENC	TAA0011	50 Anzac Ave Auckland	PEN1101	VECT	TAA0011TE NCE	EN	1/07/17	16
TENC	TAQ0011	104 QUAY ST AUCKLAND	PEN1101	VECT	TAQ0011TE NCE	EN	1/12/16	9
TENC	TAT0011	154 THE TERRACE WELLINGTON	CPK0331	CKHK	TAT0011TE NCE	EN	14/09/18	139
TENC	TAW0011	TE AWA SHOPPING CENTRE	TWH0331	WAIK	TAW0011TE NCE	EN	1/11/14	103
TENC	TBA0011	36-42 CUSTOMS ST EAST AUCKLAND	PEN1101	VECT	TBA0011TE NCE	EN	15/09/16	13
TENC	TBC0011	BNZ CENTRE CHRISTCHURCH	ISL0661	ORON	TBC0011TE NCE	EN	21/05/18	78
TENC	TBD0011	DOMINION BUILDING	CPK0331	CKHK	TBD0011TE NCE	EN	1/06/15	44
TENC	TBE0011	2-16 TAKU TAI SQUARE	PEN1101	VECT	TBE0011TE NCE	EN	1/11/13	49

TENC	TBS0011	26-28 CUSTOMS ST EAST	PEN1101	VECT	TBS0011TE NCE	EN	1/11/15	13
TENC	TCA0011	CENTURY CITY APARTMENTS	CPK0331	CKHK	TCA0011TE NCE	EN	2/04/13	137
TENC	TCB0011	4 Williamson Ave Auckland	ROS1101	VECT	TCB0011TE NCE	EN	1/07/17	15
TENC	TCD0011	Chaffers Dock	CPK0331	CKHK	TCD0011TE NCE	EN	20/01/12	81
TENC	TCH0011	46-58 Customs Street East Auck	PEN1101	VECT	TCH0011TE NCE	EN	1/05/17	6
TENC	TCL0011	CHEWS LANE APARTMENTS	CPK0331	CKHK	TCL0011TEN CE	EN	14/09/18	96
TENC	TCP0011	370 Oriental Parade Wellington	CPK0331	CKHK	TCP0011TE NCE	EN	1/10/17	33
TENC	TCR0011	9 11 CORINTHIAN DR AUCKLAND	ALB0331	UNET	TCR0011TE NCE	EN	1/02/16	14
TENC	TCT0011	TAURANGA CROSSING TAURIKURA DR	TGA0331	POCO	TCT0011TE NCE	EN	15/03/19	110
TENC	TDS0011	AWLY BUILDING 80 ARMAGH ST CHCH	ISL0661	ORON	TDS0011TE NCE	EN	13/05/18	24
TENC	TET0011	EAGLE TECHNOLOGY HOUSE	CPK0111	CKHK	TET0011TE NCE	EN	14/09/18	17
TENC	TFJ0011	FUJITSU TOWER 141 THE TERRACE	CPK0331	CKHK	TFJ0011TEN CE	EN	14/09/18	28
TENC	TFM0011	FIVE MILE SHOPPING CENTRE	FKN0331	DUNE	TFM0011TE NCE	EN	8/07/15	69
TENC	TFS0011	152 FANSHAWE ST AUCKLAND	PEN1101	VECT	TFS0011TEN CE	EN	1/01/17	12
TENC	TGC0011	THE GRAND ARCADE	CPK0331	CKHK	TGC0011TE NCE	EN	14/09/18	47
TENC	TGR0011	141 CASHEL ST CHRISTCHURCH 8011	ISL0661	ORON	TGR0011TE NCE	EN	13/05/18	7
TENC	TGS0011	650 Great South Rd Auckland	PEN0331	VECT	TGS0011TE NCE	EN	1/09/17	8
TENC	TGT0011	Guardian Trust Building	CPK0331	CKHK	TGT0011TE NCE	EN	14/09/18	21
TENC	THP0011	HOPETOUN RESIDENCES	ROS1101	VECT	THP0011TE NCE	EN	8/06/18	84
TENC	THP0012	7 Hopetoun Street Auckland	ROS1101	VECT	THP0012TE NCE	EN	8/06/18	124
TENC	THS0011	THE HSBC TOWER	ISL0661	ORON	THS0011TE NCE	EN	1/04/15	15
TENC	TKI0011	2 Kitchener St Auckland	PEN1101	VECT	TKI0011TEN CE	EN	1/08/17	18
TENC	TKM0011	The Karori Mall	WIL0331	CKHK	TKM0011TE NCE	EN	20/01/12	21

TENC	TKO0011	10 Waterloo Quay Wellington	WIL0331	CKHK	TKO0011TE NCE	EN	12/07/18	19
TENC	TKS0011	KATE SHEPPARD APARTMENTS	WIL0331	CKHK	TKS0011TE NCE	EN	1/03/15	66
TENC	TLN0011	131 LINCOLN ROAD AUCKLAND	HEN0331	UNET	TLN0011TE NCE	EN	1/07/15	11
TENC	TMC0011	2 Connolly St Lower Hutt	MLG0111	CKHK	TMC0011TE NCE	EN	22/08/17	11
TENC	TML0011	1 MARKET LANE WELLINGTON	CPK0331	CKHK	TML0011TE NCE	EN	1/04/15	50
TENC	TNV0011	NOUVO APARTMENTS MT COOK WLG	CPK0331	CKHK	TNV0011TE NCE	EN	1/06/16	43
TENC	TOT0011	131 QUEEN STREET	PEN1101	VECT	TOT0011TE NCE	EN	1/11/12	10
TENC	TPM0011	THE PIERMONT/MONUMENT APARTMENTS	CPK0331	CKHK	TPM0011TE NCE	EN	1/09/13	151
TENC	TPW0011	141 Pakenham St West Auck	PEN1101	VECT	TPW0011TE NCE	EN	26/09/17	125
TENC	TQB0011	51 WEBB STREET	CPK0111	CKHK	TQB0011TE NCE	EN	14/09/18	77
TENC	TQS0011	246 QUEEN STREET AUCKLAND	PEN1101	VECT	TQS0011TE NCE	EN	1/10/13	16
TENC	TQW0011	CLYDE QUAY WHARF	CPK0331	CKHK	TQW0011TE NCE	EN	1/10/14	89
TENC	TRT0011	REPUBLIC BUILDING	CPK0331	CKHK	TRT0011TE NCE	EN	1/06/13	143
TENC	TSA0011	46 Sales St Auckland	HOB1101	VECT	TSA0011TE NCE	EN	1/07/17	10
TENC	TSG0011	THE SOUTHGATE MALL	TAK0331	VECT	TSG0011TE NCE	EN	1/08/13	32
TENC	TSN0011	79 QUEEN STREET	PEN1101	VECT	TSN0011TE NCE	EN	5/11/12	8
TENC	TSP0011	43 MULGRAVE ST WELLINGTON	CPK0331	CKHK	TSP0011TE NCE	EN	14/09/18	112
TENC	TSS0011	34 SHORTLAND ST AUCKLAND	PEN1101	VECT	TSS0011TEN CE	EN	1/12/16	23
TENC	TTA0011	19 College Street Wellington	CPK0331	CKHK	TTA0011TE NCE	EN	1/07/17	66
TENC	TTC0011	THE CUBE	CPK0331	CKHK	TTC0011TE NCE	EN	1/06/13	87
TENC	TTH0011	THE HUB 398 MAIN SOUTH ROAD	ISL0331	ORON	TTH0011TE NCE	EN	1/08/14	120
TENC	TTR0011	162 FLAT BUSH SCHOOL RD	PAK0331	VECT	TTR0011TE NCE	EN	1/05/16	69
TENC	TTS0011	TAKAPUNA AUCKLAND	ALB1101	UNET	TTS0011TEN CE	EN	1/12/15	15

TENC	TTT0011	TOURISM & TRAVEL HOUSE	CPK0331	CKHK	TTT0011TE NCE	EN	14/09/18	19
TENC	TVS0011	ORACLE BUILDING 162 VICTORIA ST	PEN1101	VECT	TVS0011TE NCE	EN	1/08/15	8
TENC	TVT0011	VICTORIA ST AUCKLAND	PEN1101	VECT	TVT0011TE NCE	EN	1/11/15	26
TENC	TWL0011	84 WILLIS ST WELLINGTON	CPK0331	CKHK	TWL0011TE NCE	EN	2/08/18	12
TENC	TWM0011	WAITAKERE MEGA CENTRE AUCKLAND	HEP0331	UNET	TWM0011T ENCE	EN	1/03/16	25
TENC	TWQ0011	14 WEST QUAY AHURIRI NAPIER	RDF0331	HAWK	TWQ0011TE NCE	EN	1/08/16	110
TENC	TWS0011	Willbank house WELLINGTON	CPK0331	CKHK	TWS0011TE NCE	EN	14/09/18	37
TENC	WGF0011	GLENFIELD SHOPPING CENTRE	WRD0331	UNET	WGF0011TE NCE	EN	1/02/16	109
TENC	WPK0011	WESTFIELD PAKURANGA	PAK0331	VECT	WPK0011TE NCE	EN	1/04/13	105
TENC	WSC0011	WESTFIELD SHORE CITY	ALB1101	UNET	WSC0011TE NCE	EN	1/06/18	66
TENC	WWC0011	WESTFIELD WESTCITY	HEP0331	UNET	WWC0011T ENCE	EN	1/03/18	129
NSPs created during the period (since 01/01/18)								
Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Netwk type	Start date	No of ICPs
TENC	TAC0011	250 Tancred Street ASHBURTON	ASB0331	EASH	TAC0011TE NCE	EN	1/07/19	0
TENC	TBW0011	33 Broadway Newmarket Auckland	PEN0331	VECT	TBW0011TE NCE	EN	1/10/18	19
TENC	TCG0011	103 Carlton Gore Road	PEN0331	VECT	TCG0011TE NCE	EN	1/01/19	10
TENC	TCO0011	95 SWAYNE ROAD CAMBRIDGE	CBG0111	WAIP	TCO0011TE NCE	EN	16/04/18	125
TENC	TCU0011	50 Customhouse Quay Wellington	KWA0111	CKHK	TCU0011TE NCE	EN	1/04/18	25
TENC	TFT0011	4 Fred Thomas Drive	ALB1101	UNET	TFT0011TEN CE	EN	1/11/18	18
TENC	TGB0011	96 St Georges Bay Road Auckland	PEN1101	VECT	TGB0011TE NCE	EN	1/02/18	11
TENC	TGD0011	Goddards Shopping Centre	TGA0331	POCO	TGD0011TE NCE	EN	1/06/19	0
TENC	THH0011	21 Home Straight Te Rapa	TWH0331	WAIK	THH0011TE NCE	EN	1/10/18	17

TENC	TJS0011	3-11 Hunter Street Wellington	CPK0331	CKHK	TJS0011TEN CE	EN	14/09/18	20
TENC	TJW0011	243-261 Princes Street Dunedin	SDN0331	DUNE	TJW0011TE NCE	EN	1/04/18	38
TENC	TLB0011	88 Te Oneroa Way Auckland	ALB0331	UNET	TLB0011TE NCE	EN	7/11/18	44
TENC	TOX0011	32 Oxford Terrace	ISL0661	ORON	TOX0011TE NCE	EN	1/05/19	10
TENC	TPK0011	Peak Apartments Wellington	CPK0111	CKHK	TPK0011TE NCE	EN	1/08/18	57
TENC	TPW0012	132 Halsey Street Auckland	HOB1101	VECT	TPW0012TE NCE	EN	1/12/18	56
TENC	TQC0011	Queenstown Central	FKN0331	DUNE	TQC0011TE NCE	EN	11/06/18	54
TENC	TSB0011	66 THE SQUARE PALMERSTON NORTH	BPE0331	POCO	TSB0011TE NCE	EN	1/03/19	16
TENC	TWA0011	2026 STEWART DUFF DR Wellington	CPK0331	CKHK	TWA0011TE NCE	EN	1/04/18	69
TENC	TWG0011	8 Wigan Street Wellington	CPK0111	CKHK	TWG0011TE NCE	EN	1/06/18	76
NSPs transferred in from other networks during the period (since 01/01/18)								
Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Netwk type	Start date	No of ICPs
TENC	CPP0111	Central Park	PEN0331	VECT	CPP0111TE NCE	EN	1/08/18	MACQ 107
TENC	HBS0011	1 Hobson St Auckland	PEN1101	VECT	HBS0011TE NCE	EN	1/05/18	BCHB 132
TENC	HGH0011	Highbury Shopping Centre	WRD0331	UNET	HGH0011TE NCE	EN	1/06/18	NZRP 30
TENC	KNA0011	205 Queen Street Auckland	PEN1101	VECT	KNA0011TE NCE	EN	1/02/18	KIPT 86
TENC	KNW0111	North City Shopping Centre	TKR0331	CKHK	KNW0111TE NCE	EN	9/07/18	KIPT 105
TENC	MXS0011	South City Centre	ISL0661	ORON	MXS0011TE NCE	EN	1/07/18	SCHL 47
TENC	PFB0011	55 Featherston Street Wellington	WIL0331	CKHK	PFB0011TE NCE	EN	1/06/18	POLO 25
TENC	PHS0011	195 Lambton Quay Wellington	KWA0111	CKHK	PHS0011TE NCE	EN	1/06/18	POLO 10

TENC	RTB0011	TELCO BUILDING	PEN1101	VECT	RTB0011TEN NCE	EN	1/12/18	RJEN 40
TENC	STL0011	The Sentinel	ALB1101	UNET	STL0011TEN CE	EN	1/12/18	BCST 123

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

Status	Number of ICPs (2019)	Number of ICPs (2017)	Number of ICPs (2016)	Number of ICPs (2015)
New (999,0)	4	32	44	6
Ready (0,0)	134	19	18	34
Active (2,0)	4,952	3,326	2,568	1,719
Distributor (888,0)	-	-	-	-
Inactive – new connection in progress (1,12)	35	2	2	83
Inactive – electrically disconnected vacant property (1,4)	93	63	38	27
Inactive – electrically disconnected remotely by AMI meter (1,7)	14	3	4	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	10	3	2	-
Inactive – electrically disconnected at meter box fuse (1,10)	1	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	4	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-	-
Decommissioned (3)	160	58	40	28

1.9. Authorisation Received

A letter of authorisation was provided.

1.10. Scope of Audit

This Distributor audit was performed at the request of TENC, 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.	
The creation and maintenance of loss factors.	

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

1.11. Summary of previous audit

TENC provided a copy of their previous audit conducted in February 2018 by Tara Gannon of Veritek Limited. The audit recorded six non-compliances, made no recommendations, and raised one issue. The current status of the non-compliances and issues is listed below.

Subject	Section	Clause	Non-compliance	Status
Timeliness of Provision of ICP Information to the registry manager	3.4	Clause 7(2) of Schedule 11.1	Four late status updates for new connections.	Still existing
Timeliness of initial energisation date	3.5	7(2A) of Schedule 11.1	Ten new connections did not have an initial energisation date populated within 10 business days of energisation.	Still existing
Changes to registry information	4.1	8 Schedule 11.1	Eight late address updates, 77 late network updates, 34 late pricing updates, and 17 late status updates.	Still existing
Distributors to Provide ICP Information to the Registry manager	4.6	7(1) Schedule 11.1	The initial energisation date for 0000008104TC19A was incorrect, but has now been updated.	Still existing
Supporting NSP information	6.4	26(4) Schedule 11.1	An LE ICP number was not provided at least one month before network creation for TDS0011 and TGR0011.	Still existing

Subject	Section	Clause	Non-compliance	Status
Meter certification	6.9	10.25(2)	The Reconciliation Manager received late notification of meter certification details for TAA0011 and TCB0011.	Cleared

Subject	Section	Issue	Remedial action	Status
Audit trails for NSP metering information	3.9	There is no audit trail for NSP metering updates via the RM portal.	I suggest the Electricity Authority investigate reporting on notification submission dates and times, so that compliance with these requirements can be assessed.	Auditors can now request notification dates and times from the reconciliation manager to determine compliance.

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

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

Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause. Data completeness and accuracy was reviewed, and some incorrect NSP change dates and event dates were identified.

NSP changes

21 embedded networks have had a change of parent NSP since 01/01/18. I found that all changes where the parent network had updated the NSP for an LE ICP had been correctly processed., with two exceptions:

1. Wellington Electricity corrected the NSP for LE ICP 1001153889CKE83 (TQB0011) from CPK0331 to CPK0111 effective from 14/09/18 on 14/09/18, and TENC requested an update to the NSP table. On 21/05/19 Wellington Electricity processed another update, which changed the effective date for CPK0111 from 14/09/18 to 01/11/13. This update was not processed by TENC.
2. Wellington Electricity corrected the NSP for LE ICP 1001153599CK126 (TCL0011) from WIL0331 to CPK0331 effective from 14/09/18 on 14/09/18, and TENC requested an update to the NSP table. On 21/05/19 Wellington Electricity processed another update, which changed the effective date for CPK0111 from 14/09/18 to 01/10/13. This update was not processed by TENC.

The subsequent updates were not detected because TENC did not identify the change of date for an NSP, where the NSP remained the same. This is recorded as non-compliance below, and a recommendation is raised in the TENCO agent audit report to prevent recurrence of this issue.

Event dates

Event dates should reflect the date from which the attribute values for the event apply.

For two of the 631 ICPs which were initially electrically connected, the record which populated the initial electrical connection date had an event date which differed from the initial electrical connection date. The affected records were checked, and both were updated effective from the date of the previous network update.

1. 0001160076TCOCB's initial electrical connection date (01/04/18) was made effective from 21/03/18 due to a manual data processing error. The incorrect event date is recorded as non-compliance.

2. 0007185861RN60C was initially electrically connected by the previous distributor and the date was brought into TENCO's initial registry update when the ICP transferred. The event date is correct.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 2.1</p> <p>With: Clause 11.2(1) and 10.6(1)</p> <p>From: 01-Oct-13</p> <p>To: 13-Sep-18</p>	<p>Incorrect parent NSPs are recorded for TQB0011 and TCL0011 from 01/10/13-13/09/18 following a backdated change to the effective date of the LE ICP NSP by Wellington Electricity.</p> <p>0001160076TC0CB had an incorrect event date applied for its initial electrical connection date registry update, 21/03/18 was applied instead of 01/04/18.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Strong controls are in place and a very small number of exceptions were identified.</p> <p>The impact of the incorrect effective date for the initial electrical connection update is low. The correct initial electrical connection date was applied, and the effective date was within one week of this.</p> <p>The impact of the incorrect parent NSP effective dates is low. There is no direct impact on reconciliation, because all Wellington Electricity NSPs are in the same balancing area.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The incorrect IED's have been populated to Registry to clear this issue on the 2 incorrect dates.		09/08/2019	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
For the IED's we have reminded our team of the Importance of double-checking entries to Registry given they are manual. For the NSP changes we are in the process of adding an additional field to Salesforce that will allow us to pick up changes in dates when the NSP does not change – this will allow us to ensure that we update where required – our view here was that this was a one-off and driven by WE* doing some data cleansing on their side.		Ongoing	

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

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

Audit commentary

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

Incorrect information is normally corrected daily, or as soon as possible upon discovery. I saw evidence of incorrect information being corrected promptly during the audit.

Audit outcome

Compliant

3. CREATION OF ICPs

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

The new connection process is discussed in the TENCO 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. Examination of the registry list found 817 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 audit report. ICP requests are made by embedded network management or traders. If the request is not made by a trader this rule does not apply.

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

Audit commentary

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

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

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

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

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

Audit commentary

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

All late updates to the proposed trader, and an extreme case sample of 14 late updates to “ready” status made more than 1.5 business days after the initial electrical connection date were checked.

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.

631 of the 817 new ICPs were electrically connected during the period. The table below sets out the number and percentage of updates which were prior to and after initial electrical connection.

Distributor information	Prior to initial electrical connection		After initial electrical connection	
	Number	Percentage	Number	Percentage
Ready status update	478	75.8%	153	24.2%
Proposed trader update	627	99.4%	4	0.6%
Address update	631	100.0%	-	-

	Prior to initial electrical connection		After initial electrical connection	
Distributor information	Number	Percentage	Number	Percentage
Pricing code update	631	100.0%	-	-

All late updates to “ready” status were made within five business days of initial electrical connection. An extreme case sample of the 14 late updates to “ready” status made more than 1.5 business days after the initial electrical connection date were checked.

- Seven updates were on time but had an incorrect initial electrical connection date populated making the update appear late. A small number of ICPs connected to TPW0012 were connected on 03/12/18 rather than 01/12/18 because some extra work was required prior to connection. The incorrect initial electrical connection dates are recorded as non-compliance in **section 4.6**, and have now been corrected.
- The other seven updates were late because of data processing delays.

All late updates to the proposed trader were made within two business days of initial electrical connection, and were late because of data processing delays.

The updates which occurred after initial electrical connection are recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 03-Apr-18 To: 24-Apr-19	153 late updates to ready status for new connections. Four late updates to the proposed trader for new connections. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong, because most of the updates were made on time or very close to the initial electrical connection date. The impact is low, because the proposed trader and ready status were recorded within five business days of initial electrical connection.		
Actions taken to resolve the issue		Completion date	Remedial action status
The correct entries were made to the ICP's as part of normal business process however were late in some cases due to BD1 falling on a weekend or team members not getting the updates completed on BD1 as they should have.		During the audit period	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
We have increased the number of people in our business over the past 12 months and also looked to further improve operational focus on new Embedded Network setups to ensure that our levels of compliance continue to improve.	Ongoing	

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

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

An extreme case sample of the ten latest updates (all over 17 business days after the event date) were checked.

Audit commentary

631 of the 817 new ICPs were electrically connected during the period.

590 ICPs (93.5%) had the initial electrical connection date populated on the registry within ten business days of electrical connection, and 41 ICPs had initial electrical connection dates populated 11 to 220 business days after initial electrical connection. This is recorded as non-compliance below.

An extreme case sample of the ten latest updates were checked:

- three updates were not genuinely late; they related to corrections to the proposed trader field in the network record;
- for five ICPs, the process to update the initial electrical connection date was triggered late due to a backdated update to “active” status by the trader;
- one update was delayed by late confirmation that the ICP was connected, and of meter certification; and
- one update was delayed because the ICP was overlooked.

Non-compliance is recorded in **section 2.1** because some initial electrical connection date updates had an incorrect event date.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.5</p> <p>With: Clause 7(2) of Schedule 11.1</p> <p>From: 10-Apr-18</p> <p>To: 21-May-19</p>	<p>38 ICPs did not have initial electrical connection dates populated within ten business days of initial electrical connection.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as moderate as they are sufficient to ensure that initial electrical connection dates are updated on time most of the time. Paperwork is often sent to the retailer first, then passed to TENCO, which can cause delays in updating the initial electrical connection date.</p> <p>The impact is low, because there is no direct impact on settlement and 33 of the 38 late updates were made within 30 business days of the initial electrical connection date.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
All ICP's at the time of audit had an IED on them – the late input of these is as described above.		During audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
For new networks where we are putting many ICP's live on a single day (ie Greenfield Developments and Customer Network conversions) we are now inputting the IED into Registry on the day the network goes live – this will mean that in the case's where the retailer and or MEP is late in populating their records to Registry that we will remain compliant. The late update by Retailers or MEP's that causes us non-compliance should be dealt with by their own audit reports.		01/09/2019	

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

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

The registry list 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.

As recorded in **section 3.4**, four ICPs did not have a proposed trader recorded prior to initial electrical connection. For all the late updates, the proposed trader was recorded within two business days of initial electrical connection.

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

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: Clause 11.17 From: 01-Apr-18 To: 05-Oct-18	Four ICPs did not have a proposed trader recorded prior to initial electrical connection. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong, because most of the updates were made on time or very close to the initial electrical connection date. The impact is low, because the proposed trader and ready status were recorded within two business days of initial electrical connection.		
Actions taken to resolve the issue		Completion date	Remedial action status
The proposed retailer was populated within 2 business days of the ICP going live – a proposed retailer was already confirmed but had been overlooked for input when creating the ICP as NEW – it should not have been.		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
For ICP's that we are putting up as NEW for Greenfield and Customer Network conversions we now input proposed retailer, pricing etc into Registry with only the POC to be entered on the date of network go live.		01/09/2019	

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

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

Audit commentary

As discussed in the TENCO agent audit report, the new connection process requires applications for new connections to be approved by traders. A sample of five of the 631 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.

Non-compliance is recorded in **sections 3.4** and **3.6** for the four ICPs which did not have a proposed trader recorded prior to initial electrical connection. For all the late updates, the proposed trader was recorded within three business days of initial electrical connection.

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

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

19 new NSPs were created during the audit period:

NSP	NSP start date
TAC0011	1/07/2019
TBW0011	1/10/2018
TCG0011	1/01/2019
TCO0011	16/04/2018
TCU0011	1/04/2018
TFT0011	1/11/2018
TGB0011	1/02/2018
TGD0011	1/06/2019
THH0011	1/10/2018
TJS0011	14/09/2018
TJW0011	1/04/2018
TLB0011	7/11/2018

NSP	NSP start date
TOX0011	1/05/2019
TPK0011	1/08/2018
TPW0012	1/12/2018
TQC0011	11/06/2018
TSB0011	1/03/2019
TWA0011	1/04/2018
TWG0011	1/06/2018

The information required by this clause was provided on time.

Audit outcome

Compliant

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

Code reference

Clause 10.30(A)

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

19 new NSPs were created during the audit period as described in **section 3.9**. 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 audit report.

Audit commentary

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

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

The list file as at 20/05/19 was examined to confirm whether all active ICPs have a single loss category.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

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

The ICP creation process was reviewed as part of the TENCO agent audit.

Audit commentary

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

598 ICPs had “new” status applied during the audit period. The current status of the ICPs created at “new” status is shown below:

Status	Status description	Count of ICPs
999,0	New	4
0,0	Ready	100
1,12	New connection in progress	19
1,4	Inactive vacant	1
2,0	Active	454
3,1, 3,2 or 3,3	Decommissioned	20
Total		598

Four ICPs validly remain at “new” status. Monitoring of ICPs at “new” status is discussed in **section 3.14**.

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.

Examination of the list file found four ICPs at “new” status, and 134 ICPs at “ready” status.

One ICP has been at “new” status and two ICPs have been at “ready” status for over 24 months. The ICPs at “new” or “ready” status had been followed up to determine whether they were still required, but not within the last two years.

Status	Status	Status date	Comment
0000007015TC716	999,0	14/07/2016	Centre management confirmed in September 2017 that the ICP is not tenanted, and that a future tenant can choose any

			retailer. TENC is awaiting a new connection application to confirm the retailer before moving the ICP to ready status.
1001271955LC18B	0,0	17/11/2014	The space for this ICP still exists within the building, but the ICP is not tenanted. It was last followed up with the trader in June 2017, and TENC will be contacted once the ICP is tenanted.
0001410003TCFB3	0,0	21/09/2016	The space for this ICP still exists within the building, but the ICP is not tenanted. It was last followed up with the trader in June 2017, and TENC will be contacted once the ICP is tenanted.

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

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 over 10 MW 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

TENC 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. TENC does not intend to connect any other unmetered load to the network in the future.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

If the change to the NSP identifier is for more than 10 business days, the notification must be provided no later than the 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

348 address updates not relating to initial population of address data for new connections were identified.

341 updates (98%) were made within three business days of the event date. Seven address updates were made late, and six of those were made more than 30 business days after the event date.

All updates made more than 30 business days after the event date were checked, and found to be corrections following the local council updating street names, or to create unique addresses where duplicates existed.

Network events

1,599 network updates not relating to initial population of data for new connections were identified.

1,573 updates (98.3%) were made within three business days of the event date and 26 were late. One of the late updates was made more than 30 business days after the event date.

The five latest updates were checked:

- one late update was a correction to the connection type; and
- four updates were delayed by late confirmation of the attributes for the network record.

Pricing events

1,393 pricing updates not relating to initial population of pricing data for new connections were identified.

1,386 updates (99.4%) were made within three business days of the event date and seven were late. Three of the late updates were made more than 30 business days after the event date.

The five latest updates were checked:

- one update appeared late due to an incorrect event date being entered and was corrected within seconds of entry;
- one update was late due to late advice of a metering change and was processed on the day the advice was received; and
- three were pricing corrections.

Status events

92 status updates were identified, excluding updates for new connections.

67 updates were made within three business days of the event date, or within three business days of the trader's update to ready for decommissioning status where the update occurred after 01/11/18. 25 updates were late. Ten of the late updates were made more than 30 business days after the event date.

- 20 late updates (including six over 30 business days after the event date) were caused by late trader updates to ready for decommissioning status, which must be processed prior to decommissioning. The updates were processed within three business days of the trader updating the status to ready for decommissioning.
- The other five late updates (including four over 30 business days after the event date) were checked and found to be primarily caused by a later update to ready for decommissioning status by the trader.

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
<p>Audit Ref: 4.1</p> <p>With: Clause 8 Schedule 11.1</p> <p>From: Jan-18</p> <p>To: May-19</p>	<p>Seven late address updates.</p> <p>26 late network updates.</p> <p>Seven late pricing updates.</p> <p>28 late updates to decommissioned status.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong, as they are sufficient to ensure updates are on time most of the time. In most cases checked, the late update was at the request of another party, caused by another party's late provision of information to TENC or the registry, or was a correction.</p> <p>The risk is assessed as low as a relatively small proportion of updates were affected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We have strong controls in place for the update of Registry and in some cases are reliant on other Participants completing updates for us to then be able to complete changes in Registry which at times causes us some non-compliance.		Throughout the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We continue to focus on our level of Compliance, understanding of process and depth of the team to ensure we have coverage		Ongoing	

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.

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.

Incorrect parent NSPs are recorded for TQB0011 and TCL0011 from 01/10/13 - 13/09/18 following a backdated change to the effective date of the LE ICP NSP by Wellington Electricity. This is recorded as non-compliance in **section 2.1**.

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 three business days after receiving a request for that information.

Audit observation

The management of customer queries was examined.

Audit commentary

TENC 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 ten active ICPs with duplicate addresses, and two ICPs with incomplete addresses which did not have a property name, unit number or street number.

Difficult to locate addresses

The two ICPs with difficult to locate addresses are landlord service connections, and the addresses were inherited from the previous distributor:

ICP	Property Name	Physical Address Unit	Physical Address Number	Street	Suburb	Town	Region
0000100310UN324				WAITAKERE PLAZA	HENDERSON	AUCKLAND	Auckland

ICP	Property Name	Physical Address Unit	Physical Address Number	Street	Suburb	Town	Region
0000617027UN39F				VITASOVICH AVENUE	HENDERSON SOUTH	AUCKLAND	Auckland

Duplicate addresses

Ten ICPs had duplicate addresses, which were corrected to be unique during the audit. Two of the duplicates were inherited from the previous distributor. The other duplicates were created in error either:

1. as part of the ICP creation process; or
2. as part of bulk updates to addressing which replaced property name details that previously made the addresses unique.

To prevent recurrence of duplicate and incomplete addresses, including where they are inherited, TENCO intends to use regular SQL queries to verify addresses are complete and unique.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 20-May-19 To: 14-Aug-19	Ten ICPs with duplicate addresses, which were corrected to be unique during the audit. Two ICPs with difficult to locate 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. Incorrect addresses can have a direct impact on the retailer's ability to read, disconnect and reconnect these sites.		
Actions taken to resolve the issue		Completion date	Remedial action status
The ICPs with duplicate addresses or difficult to locate addresses have now been updated to ensure that they are unique and locatable.		Aug/Sep-19	Cleared

Preventative actions taken to ensure no further issues will occur	Completion date	
When transferring ICPs from the local network we are introducing additional checks to ensure we are not inheriting non-compliant ICPs from the local network – in addition we will be running monthly checks across all ICP's to ensure that we have not had address updates input to Registry that result in non-unique addresses.	01/09/2019	

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 in the TENCO audit report in relation to this clause.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

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

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

Audit observation

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

For the 631 new connections which were electrically connected during the audit period, the initial electrical connection date, meter certification date and earliest active date were compared.

I confirmed that all ICPs initially electrically connected by TENC after 29/08/13¹ had an initial electrical connection date populated.

Audit commentary

Review of the registry list and comparison with the meter event details report identified some inaccurate information.

NSP changes

Incorrect parent NSPs are recorded for TQB0011 and TCL0011 from 01/10/13 - 13/09/18 following a backdated change to the effective date of the LE ICP NSP by Wellington Electricity. This is recorded as non-compliance in **section 2.1**.

Event dates

0001160076TC0CB had an incorrect event date applied for its initial electrical connection date registry update; 21/03/18 was applied instead of 01/04/18. This is recorded as non-compliance in **section 2.1**.

Addresses

Ten active ICPs with duplicate addresses, and two ICPs with incomplete addresses are recorded as non-compliance in **section 4.4**. The duplicate addresses were corrected during the audit.

Price codes

Price code TCPOP03 was incorrectly created with a start date of 25/05/17 instead of 25/08/18. This is recorded as non-compliance in **section 4.12**.

Distributed generation

ICP 0000007018TC84D has import/export metering, but a generation capacity and fuel type are not recorded by TENC. A search of the Energy Safety database (<https://www.energysafety.govt.nz/energysafety/app/highrisk-db/home>) did not find generation recorded at the ICP address. TENC confirmed that the ICP did not have generation, and that its registry information is correct.

Initial electrical connection dates

For 12 of the new connections electrically connected during the audit period, the initial electrical connection date did not match the earliest active date applied by the trader. All were checked.

- Seven ICPs connected to TPW0012 were connected on 03/12/18 rather than 01/12/18 because some extra work was required prior to connection. The incorrect initial electrical connection dates were incorrectly populated as 01/12/18 as part of a bulk update, and were corrected during the audit.
- 0004560030TCE0C was confirmed to have the correct initial electrical connection date.
- 0000014098TC706 had an incorrect date applied, which was detected through TENCO's validation processes and corrected prior to the audit.

¹ When the code change requiring initial electrical connection dates came into effect.

- 0000007117TCE97 and 0001160076TC0CB were processed with incorrect dates due to data entry errors and were corrected during the audit.
- 0004560100TC0F0 had an initial electrical connection date populated in error based on the trader's "active" status update. The trader later corrected the status back to "inactive new connection in progress". TENC's normal process is to compare the trader's "active" record to the MEP's certification date and confirm the initial electrical connection date before updating, but the meter certification check was missed in this case. The initial electrical connection date was removed during the audit.

For 167 of the new connections, the meter certification date did not match the initial electrical connection date. This commonly occurs where a new embedded network is created, and the MEP adds metering details on the registry prior to the network start date. A sample of 14 ICPs with differences were checked, and all were correct apart from ICPs which also had a different initial electrical connection date as described above.

The ten ICPs with incorrect initial electrical connection dates which were not identified and corrected through Tenco's normal processes prior to the audit are recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1 From: 01-Apr-18 To: 14-Aug-19	Initial electrical connection dates were temporarily incorrect for ten ICPs. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as the moderate because most information is correctly recorded. The number of discrepancies is minor and has no direct impact on reconciliation. All incorrect initial electrical connection dates were corrected.		
Actions taken to resolve the issue		Completion date	Remedial action status
All details in Registry identified during audit have been corrected by us.		Aug/Set-2019	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
As noted in previous sections we are making changes to improve our level of compliance in the area where our ability to do so is within our control.		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 management of this process is discussed in the TENCO report.

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

Audit commentary

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

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

Audit outcome

Compliant

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

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

Audit commentary

110 active ICPs situated at West Quay, Napier have GPS coordinates recorded. I mapped the GPS coordinates using NZTM2000 and confirmed that the coordinate locations were consistent with the physical addresses recorded on the registry for the ICPs.

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

134 ICPs which have not been electrically connected are at “ready” status. ICPs at “ready” status for more than 24 months are discussed in **section 3.14**.

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 in the TENCO audit report in relation to this clause.

92 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

16 new price category codes were created since January 2018. No price category codes were end dated or modified.

15 of the 16 price category codes were updated in accordance with this clause. Price category TCPOP03 was created with an effective date of 25/05/17 on 17/05/2018. The effective date was entered incorrectly; the code applies only to ICP 1000558660PCA9E, which transferred to TENC on 25/05/18.

Non-compliance is recorded because:

1. Price category code TCPOP03's start date was recorded as 25/05/17 not 25/05/18; and

2. Price category code TCPOP03 was not created at least two months before the price category code came into effect.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.12</p> <p>With: Clause 23 Schedule 11.1</p> <p>From: 25-May-17</p> <p>To: 24-May-18</p>	<p>Price category code TCPOP03's start date was recorded as 25/05/17 not 25/05/18.</p> <p>Price category code TCPOP03 was not created at least two months before the price category code came into effect.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are strong, this appears to be an isolated error.</p> <p>There is no impact, the price code was created prior to being applied.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The late entry of the pricing code was caused by human error on the entry to Registry – it only applied for 1 ICP that was inherited from Powerco due to a change in metering at the gateway.		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
A reminder to the team to ensure that they double check entries to Registry.		01/09/2019	

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

TENC created six new loss factor codes during the audit period in accordance with this clause:

Loss factor	Updated from
TCCKL06	1/07/2019
TCDEL01	1/04/2018
TCPCLO1	1/03/2019
TCPOL04	1/06/2019
TCPOL05	1/06/2019
TCWAL01	1/04/2018

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

TENC did not end date any loss factor codes during the audit period.

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

Loss factor	Updated from
TCKL01	01/07/19
TCKL05	01/07/19
TCHBL01	01/05/19
TCLCL01	01/05/18 and 01/05/19
TCLCL05	01/05/18 and 01/05/19
TCPOL01	01/05/18 and 01/05/19
TCPOL02	01/05/19
TCPOL03	01/05/19
TCUNL01	01/05/18 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.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The process for the creation and decommissioning of NSPs was reviewed as part of the TENCO agent audit.

The NSP table was examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO.

No NSPs were decommissioned, and no NSPs transferred from TENC to other networks during the audit period. 19 NSPs were created during the period:

NSP	Start date	Comment
TAC0011	1/07/19	No ICPs supplied on registry list.
TBW0011	1/10/18	New ICPs created by TENC.
TCG0011	1/01/19	ICPs transferred from Vector.
TCO0011	16/04/18	New ICPs created by TENC.
TCU0011	1/04/18	New ICPs created by TENC, except 1001121952UN995 which was transferred from Wellington Electricity.
TFT0011	1/11/18	ICPs transferred from Vector.

NSP	Start date	Comment
TGB0011	1/02/18	New ICPs created by TENC.
TGD0011	1/06/19	No ICPs supplied on registry list.
THH0011	1/10/18	New ICPs created by TENC.
TJS0011	14/09/18	ICPs transferred from Wellington Electricity.
TJW0011	1/04/18	ICPs transferred from Aurora.
TLB0011	7/11/18	New ICPs created by TENC.
TOX0011	1/05/19	ICPs transferred from Orion.
TPK0011	1/08/18	ICPs transferred from Wellington Electricity.
TPW0012	1/12/18	New ICPs created by TENC.
TQC0011	11/06/18	New ICPs created by TENC.
TSB0011	1/03/19	ICPs transferred from Powerco.
TWA0011	1/04/18	New ICPs created by TENC.
TWG0011	1/06/18	ICPs transferred from Wellington Electricity.

Written notice was provided to all parties as required by this clause. All notifications were on time except for TFT0011, which did not have a delay in start date from 01/10/18 to 01/11/18 communicated on time. As described in **section 1.7**, alleged breach 1810TENC1 was recorded for the late notification for TFT0011. The alleged breach was closed early.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.1 With: Clause 11.8 and Clause 25 Schedule 11.1 From: 01-Oct-18 To: 01-Nov-18	Notification of a delayed start date for TFT0011 was not provided on time. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	Controls are rated as strong, because one update was late, and the processes ensure that information is normally provided on time. The impact is low. An alleged breach was recorded and closed early.

Actions taken to resolve the issue	Completion date	Remedial action status
TFT0011 was an edge case for us as the planned shutdowns did not occur to allow the gateway meter installs despite being locked in due to Vector finding upon arriving at site that the isolation of power would impact more than just this property – the start date of the network should have been moved upon rebooking of the shutdown but was unfortunately overlooked.	Nov-18	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We believe our controls are strong in this area and this was a one off event that will not be repeated.	N/A	

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The process to provide NSP information was reviewed as part of the TENCO agent audit.

The NSP table was examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO.

For each of the 19 new NSPs listed in **section 6.1**, requests to create NSP identifiers were provided to the RM as required by this clause. Two of the 19 notifications were not provided at least ten business days before the NSP was electrically connected. In both cases notification was provided as soon as all the required details were confirmed.

NSP	Start date	Notification date
TBW0011	1/10/2018	26/09/2018 3:03:00 PM
TGB0011	1/02/2018	30/01/2018 2:36:00 PM

As described in **section 1.7**, alleged breach 1802TENC1 was recorded for the late update for TGB0011. The alleged breach was closed early.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.2</p> <p>With: Clause 26(1) and (2) Schedule 11.1</p> <p>From: 30-Jan-18</p> <p>To: 26-Sep-18</p>	<p>Notifications of NSP creation for TBW0011 and TGB0011 were not provided to the reconciliation manager at least ten business days before the NSP was electrically connected.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong, because a small number of updates were late and the processes ensure that information is normally provided on time.</p> <p>The impact is low, because notifications were provided prior to the NSPs being electrically connected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
In the case of both TBW0011 and TGB0011 these were Greenfield developments and we received very late notice of livening date from the electrical contractors despite requesting at least 1 months' notice from them – given the scale of these projects and that there were no retailers impacted by the short notice we made a conscious decision to push ahead with a short notice period.		Sept-18 & Jan-18.	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We continue to proactively work with our clients and their contractors on the notice periods required for new Embedded Networks and regularly follow up with them – where a liven date is uncertain we will in some cases notify and then instruct our DA to submit zero volumes in network go live and livening dates do not align.		On going	

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 process to provide balancing area information was reviewed as part of the TENCO agent audit. The NSP table was examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO.

19 new NSPs were created during the audit period (listed in **section 6.1**), and ten NSPs transferred (listed in **section 6.10**).

For each NSP created or transferred, the correct balancing area information was provided in accordance with 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 process to provide NSP supporting information was reviewed as part of the TENCO agent audit. The NSP table and the registry list for 01/01/18 to 20/05/19 were examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO.

19 new NSPs were created during the audit period (listed in **section 6.1**), and ten NSPs transferred (listed in **section 6.10**). For each NSP created or transferred, information was provided to the reconciliation manager as required by this clause. LE ICP information was provided late for the following NSPs:

NSP	LE ICP	NSP start date	LE ICP notification date
TBW0011	1002054479LC736, 1002054482LC9F5	1/10/2018	12/08/2019
TFT0011	1002052997UN4CB	1/11/2018	5/10/2018
TGB0011	1002044837LC2E5	1/02/2018	31/01/2018

NSP	LE ICP	NSP start date	LE ICP notification date
THH0011	0000044424WEFEC	1/10/2018	28/09/2018
TPW0012	1002056779LC775	1/12/2018	11/12/2018

I found that the late notifications were primarily caused by:

1. late creation of the LE ICP by the parent network, which in turn caused late provision of the LE ICP to the reconciliation manager; or
2. the initial notification to the reconciliation manager excluded the LE ICP, and the LE ICP was not provided as soon as it was received due to an oversight.

TENCO intends to adjust their notification process to ensure that LE ICP details are provided with the initial notification to the reconciliation manager wherever possible, and late LE ICPs are followed up.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.4</p> <p>With: Clause 26(4)</p> <p>Schedule 11.1</p> <p>From: 01-Feb-18</p> <p>To: 12-Aug-19</p>	<p>LE ICP numbers were not provided at least one month before network creation for TBW0011, TFT0011, TGB0011, THH0011 and TPW0012.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are strong, because the delays were primarily caused by other parties not providing information on time.</p> <p>The impact is low because for four of the five late updates, the LE ICP was provided before network creation. All other required information was provided on time.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>An LE ICP is always in place at time of network go live however the entry to RM portal had however is some cases been omitted – we also note that if an update to an NSP in the RM portal is made then the LE ICP strips out and needs to be re-input which does introduce risk of a correct previous entry being removed – we have made the RM aware of this.</p>		During the audit period	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Going forward we are going to only notify a new network with 1 months' notice once we have the LE ICP available to us from the local network – we recognise that this may delay the start date for some networks as at times local networks can be very slow in providing response to our request for these.	01/09/2019	

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The process to maintain balancing area information was reviewed as part of the TENCO agent audit.

The NSP table was examined.

Audit commentary

Compliance is recorded for TENCO.

No balancing areas were changed during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was examined.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

The ICP transfer process was reviewed as part of the TENCO agent audit.

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

Audit commentary

Compliance is recorded for TENCO.

For eight new NSPs, ICPs transferred from an existing network:

NSP	Start date	Comment
TCU0011	1/04/18	New ICPs created by TENC, except 1001121952UN995 which was transferred from Wellington Electricity.
TFT0011	1/11/18	ICPs transferred from Vector.
TJS0011	14/09/18	ICPs transferred from Wellington Electricity.
TJW0011	1/04/18	ICPs transferred from Aurora.
TOX0011	1/05/19	ICPs transferred from Orion.
TPK0011	1/08/18	ICPs transferred from Wellington Electricity.
TSB0011	1/03/19	ICPs transferred from Powerco.
TWG0011	1/06/18	ICPs transferred from Wellington Electricity.

All ICPs connected to a further ten NSPs transferred to TENC from other embedded networks during the audit period:

NSP	Start date	Comment
CPP0111	1/08/18	Transferred from MACQ.
HBS0011	1/05/18	Transferred from BCHB.
HGH0011	1/06/18	Transferred from NZRP.
KNA0011	1/02/18	Transferred from KIPT.
KNW0111	9/07/18	Transferred from KIPT.

NSP	Start date	Comment
MXS0011	1/07/18	Transferred from SCHL.
PFB0011	1/06/18	Transferred from POLO.
PHS0011	1/06/18	Transferred from POLO.
RTB0011	1/12/18	Transferred from RJEN.
STL0011	1/12/18	Transferred from BCST.

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

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

The NSP table was examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO.

The following NSPs have had meter certification date changes since 01/01/2018:

NSP POC	Description	MEP	New cert date	Update date	New expiry	Business days
PHP0011	171 Featherston St Property	AMCI	17/05/2018	29/05/2018 11:04	17/04/2022	8

NSP POC	Description	MEP	New cert date	Update date	New expiry	Business days
CRN0011	51 Corinthian Drive Property	AMCI	5/09/2018	18/09/2018 11:57	5/09/2028	9
PTC0011	125 The Terrace	AMCI	12/03/2019	3/04/2019 11:02	12/03/2024	16
TQW0011	Clyde Quay Wharf	AMCI	18/05/2018	13/06/2018 13:55	18/05/2023	17
TGC0011	The Grand Arcade	AMCI	16/02/2018	15/03/2018 12:09	9/09/2019	19
TQS0011	246 Queen Street Auckland	AMCI	15/05/2018	13/06/2018 11:29	15/05/2023	20
WGF0011	Glenfield Shopping Centre	AMCI	23/02/2018	27/03/2018 10:05	20/01/2020	22
PHS0011	195 Lambton Quay Wellington	FCLM	14/02/2019	19/03/2019 15:48	14/02/2021	23
TCT0011	Tauranga Crossing Taurikura Dr	AMCI	25/05/2018	10/07/2018 15:38	25/05/2023	31
TSG0011	The Southgate Mall	AMCI	20/03/2018	19/06/2018 13:10	6/06/2022	61
TAW0011	Te Awa Shopping Centre	AMCI	12/02/2018	19/06/2018 13:01	12/02/2023	87
WWC0011	Westfield Westcity	AMCI	28/06/2017	18/01/2018 16:52	9/02/2020	141
WSC0011	Westfield Shore City	AMCI	7/05/2018	18/03/2019 11:18	19/12/2019	217
TTT0011	Tourism & Travel House	AMCI	23/02/2018	19/03/2019 15:32	27/12/2028	266
WPK0011	Westfield Pakuranga	AMCI	13/11/2017	22/03/2019 12:03	31/07/2019	337

Meter certification details were updated more than 20 business days after the certification date for WGF0011, PHS0011, TCT0011, TSG0011, TAW0011, WWC0011, WSC0011, TTT0011 and WPK0011. I found that the late updates were primarily caused by delays in receiving the meter certification details.

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

The NSP table was reviewed, and I found all NSPs had current meter certification details recorded at the time of review. A small number of AMS meters later had their certification cancelled, because they were overdue for routine inspections. This is discussed further in AMS' MEP audit report. AMS is currently working to certify the affected meters, and TENCO is monitoring progress with this. The following TENC NSPs affected by this issue:

NSP affected	ICP Number	Serial Number	Inspection Due Date	Certification Expiry Date
TRT0011	1001153572CK548	Meter Point-MP00137162	14/12/2018	15/03/2019

NSP affected	ICP Number	Serial Number	Inspection Due Date	Certification Expiry Date
TAT0011	1001158692CK311	Meter Point-MP00190408	13/02/2019	14/05/2019
WSC0011	1001134876UN30F	Meter Point-MP4915	29/03/2019	30/06/2019
TSS0011	1001296860LCB25	Meter Point-MP00192457	6/04/2019	7/07/2019
TTH0011	0007159742RNF47	Meter Point-MP00096981	17/04/2019	18/07/2019

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.8</p> <p>With: Clause 10.25(1) and 10.25(3)</p> <p>From: 18-Jan-18</p> <p>To: 22-Mar-19</p>	<p>Meter certification details were updated more than 20 business days after the certification date for WGF0011, PHS0011, TCT0011, TSG0011, TAW0011, WWC0011, WSC0011, TTT0011 and WPK0011.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are strong, because the delays were primarily caused by the MEP being unable to provide information on time.</p> <p>The impact is low. The meters with late updates were certified at all times.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
All LE ICP's have current and correct metering cert dates aside from those few that have had cert cancellations on them as covered in the AMS audit report.		Throughout the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have submitted a proposed change to bring LE ICP metering details into Registry – our main constraint is getting meter recert details in from the MEP's on time as we are only aware of expiry dates and where they recert early and we do not get notice at the time causes us non-compliance – we are proactively looking to work with the 2 MEP's we use to improve the notices we receive.		Ongoing	

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

Code reference

Clause 10.25(2)

Code related audit information

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

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

Audit observation

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

The NSP table was examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO.

For each of the 19 new NSPs listed in **section 6.1**, 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

Processes for management of network owner changes were reviewed as part of the TENCO agent audit. The NSP table was examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO.

For eight new NSPs, ICPs transferred from an existing network:

NSP	Start date	Comment
TCU0011	1/04/18	New ICPs created by TENC, except 1001121952UN995 which was transferred from Wellington Electricity.
TFT0011	1/11/18	ICPs transferred from Vector.
TJS0011	14/09/18	ICPs transferred from Wellington Electricity.
TJW0011	1/04/18	ICPs transferred from Aurora.
TOX0011	1/05/19	ICPs transferred from Orion.
TPK0011	1/08/18	ICPs transferred from Wellington Electricity.
TSB0011	1/03/19	ICPs transferred from Powerco.
TWG0011	1/06/18	ICPs transferred from Wellington Electricity.

All ICPs connected to a further ten NSPs transferred to TENC from other embedded networks:

NSP	Start date	Comment
CPP0111	1/08/18	Transferred from MACQ.
HBS0011	1/05/18	Transferred from BCHB.
HGH0011	1/06/18	Transferred from NZRP.
KNA0011	1/02/18	Transferred from KIPT.
KNW0111	9/07/18	Transferred from KIPT.
MXS0011	1/07/18	Transferred from SCHL.
PFB0011	1/06/18	Transferred from POLO.
PHS0011	1/06/18	Transferred from POLO.
RTB0011	1/12/18	Transferred from RJEN.
STL0011	1/12/18	Transferred from BCST.

The correct information was provided within the required timeframe in accordance with this clause for each of the NSPs transferred during the audit period, except the notifications to reconciliation

participants for TFT0011's revised start date. The start date was delayed from 01/10/18 to 01/11/18 but the notifications to participants for the revised date were not issued until 05/10/18.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.10 With: Clause 29 Schedule 11.1 From: 01-Oct-18 To: 05-Oct-19	Notifications of a revised start date for a change of network owner for ICPs connected to TFT0011 were not issued to reconciliation participants at least one month before the start date. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are strong, because almost all notifications were issued on time. The impact is low because the notifications were issued four days late, and the affected participants were already aware of the change.		
Actions taken to resolve the issue		Completion date	Remedial action status
TFT0011 was an edge case for us as the planned shutdowns did not occur to allow the gateway meter installs despite being locked in due to Vector finding upon arriving at site that the isolation of power would impact more than just this property – the start date of the network should have been moved upon rebooking of the shutdown but was unfortunately overlooked.		Oct-18	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We believe our controls in this area are strong and TFT0011 are an edge case for us.		Ongoing	

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, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO.

For eight new NSPs, ICPs transferred from an existing network:

NSP	Start date	Comment
TCU0011	1/04/18	New ICPs created by TENC, except 1001121952UN995 which was transferred from Wellington Electricity.
TFT0011	1/11/18	ICPs transferred from Vector.
TJS0011	14/09/18	ICPs transferred from Wellington Electricity.
TJW0011	1/04/18	ICPs transferred from Aurora.
TOX0011	1/05/19	ICPs transferred from Orion.
TPK0011	1/08/18	ICPs transferred from Wellington Electricity.
TSB0011	1/03/19	ICPs transferred from Powerco.
TWG0011	1/06/18	ICPs transferred from Wellington Electricity.

Review of the registry list confirmed that all ICPs with event start dates after 01/01/18 were new connections, had a status change from inactive to active during the period, or had transferred to one of the new NSPs above. No other ICPs were transferred from existing networks to TENC.

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

Processes for management of ICP transfers were reviewed as part of the TENCO agent audit.

The NSP table was examined.

Audit observation

Compliance is recorded for TENCO. Ten NSPs transferred to TENC from other embedded networks during the audit period:

NSP	Start date	Comment
CPP0111	1/08/18	Transferred from MACQ.
HBS0011	1/05/18	Transferred from BCHB.
HGH0011	1/06/18	Transferred from NZRP.
KNA0011	1/02/18	Transferred from KIPT.
KNW0111	9/07/18	Transferred from KIPT.
MXS0011	1/07/18	Transferred from SCHL.
PFB0011	1/06/18	Transferred from POLO.
PHS0011	1/06/18	Transferred from POLO.
RTB0011	1/12/18	Transferred from RJEN.
STL0011	1/12/18	Transferred from BCST.

All ICPs on the affected networks were transferred.

As detailed in **section 6.12**, some ICPs transferred from a parent network to an embedded network. This clause does not apply where ICPs transfer from parent networks to embedded networks.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

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

Current loss factors on the loss factor table were compared to the loss factors for the parent networks. Assignment of loss factors to ICPs on each of the 99 TENC NSPs was checked using the registry list as at 20/05/19.

Audit commentary

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 on the registry, and within their pricing schedules which are issued to retailers.

I compared the loss factors applied to each ICP to TENC's loss factor mapping tables, and the parent network's loss factors. All TENC loss factors values were calculated based on the current loss factors for the parent network.

I identified discrepancies for two loss factor codes:

Code	NSP	ICP count	Description	Loss factor difference
TCLCL01	TBA0011	13	TCLCL01 is expected with parent loss factor VECA3 not VECA2. There is no difference to the loss factor value applied, but a new code should be created.	No difference at ICP
	TSN0011	7		

Code	NSP	ICP count	Description	Loss factor difference
TCLCL02	TBE0011	4	TCLCL02 is expected with parent loss factor VECA2 not VECA3. There is no difference to the loss factor value applied, but a new code should be created.	No difference at ICP
	THP0012	124		

Code	NSP	ICP count	Description	Loss factor difference
	TPW0011	125	TCLCL02 was applied but TCLCL01 is expected based on the parent network loss factor.	1.0303 applied
	TPW0012	56		1.0413 correct

The discrepancies occurred because the loss factors were incorrectly mapped when they were created, or they were incorrectly assigned following a price plan change. TENCO intends to review the application of the loss factors to ensure that they are correctly assigned, and ensure that changes of price plans will create a work flow to update the loss factor.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 8.1</p> <p>With: Clause 11.2</p> <p>From: 14-Aug-19</p> <p>To: 14-Aug-19</p>	<p>Loss factor codes TCLCL01 and TCLCL02 were assigned to 329 ICPs which did not have parent network loss codes consistent with the loss code. For 181 of the ICPs there was no difference in loss factor.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are moderate, because 97% of ICPs had a loss factor assigned which matched the expected value and 93% had the expected loss factor assigned. TENC intends to take corrective action to prevent recurrence.</p> <p>The impact is low because there was either a small or zero impact on loss factors.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
We created new loss factors where required for the above and moved the ICP's on TPW0011 and TPW0012 to the correct new loss factor – given the changes made by WE* from 1 July-2019 we had already run a cleanse across the WE* connected Embedded Networks to ensure that these were correct.		Aug/Sept-19	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The Ops team here have been made aware of the above described issue and are modifying our process's accordingly to improve compliance.		01/09/2019	

CONCLUSION

TENC'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 next audit frequency table indicates an audit risk rating of 18 indicating that the next audit be due in 12 months. I recommend that the next audit be completed in 18 months, after taking into consideration that:

- Two of the non-compliances have been cleared, and remedial actions have been identified and are underway for the remaining non-compliances.
- Controls were assessed to be strong or moderate in all areas.

PARTICIPANT RESPONSE

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