

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT (MATERIAL CHANGE)**



For

THE LINES COMPANY

Prepared by: Steve Woods

Date audit commenced: 21 February 2018

Date audit report completed: 28 February 2018

Audit report due date: 30-Sep-18

TABLE OF CONTENTS

| | |
|---|----|
| Executive summary | 4 |
| Audit summary | 4 |
| Non-compliances | 4 |
| Recommendations | 4 |
| 1. Administrative | 6 |
| 1.1. Exemptions from Obligations to Comply with Code (Section 11) | 6 |
| 1.2. Structure of Organisation | 6 |
| 1.3. Persons involved in this audit | 6 |
| 1.4. Use of contractors (Clause 11.2A) | 7 |
| 1.5. Supplier list | 7 |
| 1.6. Hardware and Software | 8 |
| 1.7. Breaches or Breach Allegations | 9 |
| 1.8. ICP and NSP Data | 9 |
| 1.9. Authorisation Received | 10 |
| 1.10. Scope of Audit | 10 |
| 1.11. Summary of previous audit | 10 |
| Non-compliances | 10 |
| Recommendations | 12 |
| 2. Operational Infrastructure | 13 |
| 2.1. Requirement to provide complete and accurate information (Clause 11.2(1)) | 13 |
| 2.2. Requirement to correct errors (Clause 11.2(2)) | 13 |
| 3. Creation of ICPs | 15 |
| 3.1. Distributors must create ICPs (Clause 11.4) | 15 |
| 3.2. Participants may request distributors to create ICPs (Clause 11.5(3)) | 15 |
| 3.3. Provision of ICP Information to the registry (Clause 11.7) | 16 |
| 3.4. Timeliness of Provision of ICP Information to the registry (Clause 7(2) of Schedule 11.1) | 16 |
| 3.5. Timeliness of Provision of Initial Energisation Date (Clause 7(2A) of Schedule 11.1) | 17 |
| 3.6. Connection of ICPs (Clause 11.17) | 17 |
| 3.7. Electrical connection of ICPs (Clause 10.28(7)) | 18 |
| 3.8. Electrical connection of ICP that is not an NSP (Clause 10.31) | 18 |
| 3.9. Electrical connection of NSP that is not a point of connection to the grid (Clause 10.30(2)) | 19 |
| 3.10. Definition of ICP identifier (Clause 1(1) Schedule 11.1) | 19 |
| 3.11. Loss category (Clause 6 Schedule 11.1) | 20 |
| 3.12. Management of “new” status (Clause 13 Schedule 11.1) | 20 |
| 3.13. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1) | 20 |
| 3.14. Embedded generation loss category (Clause 7(6) Schedule 11.1) | 21 |
| 4. Maintenance of registry information | 22 |
| 4.1. Changes to registry information (Clause 8 Schedule 11.1) | 22 |
| 4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1) | 22 |
| 4.3. Customer queries about ICP (Clause 11.31) | 23 |
| 4.4. ICP location address (Clause 2 Schedule 11.1) | 23 |
| 4.5. ICP de-energisation (Clause 3 Schedule 11.1) | 24 |
| 4.6. Distributors to Provide ICP Information to the Registry (Clause 7(1) Schedule 11.1) | 24 |

| | | |
|----------------------|--|----|
| 4.7. | Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1) | 26 |
| 4.8. | GPS coordinates (Clause 7(8) and (9) Schedule 11.1) | 26 |
| 4.9. | Management of “ready” status (Clause 14 Schedule 11.1) | 27 |
| 4.10. | Management of “distributor” status (Clause 16 Schedule 11.1) | 27 |
| 4.11. | Management of “decommissioned” status (Clause 20 Schedule 11.1) | 28 |
| 4.12. | Maintenance of price category codes (Clause 23 Schedule 11.1)..... | 28 |
| 5. | Creation and maintenance of loss factors | 29 |
| 5.1. | Updating table of loss category codes (Clause 21 Schedule 11.1) | 29 |
| 5.2. | Updating loss factors (Clause 22 Schedule 11.1) | 29 |
| 6. | Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs)30 | |
| 6.1. | Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1)..... | 30 |
| 6.2. | Provision of NSP information (Clause 26(1) and (2) Schedule 11.1) | 30 |
| 6.3. | Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1) | 31 |
| 6.4. | Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)31 | |
| 6.5. | Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1) | 32 |
| 6.6. | Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1) | 32 |
| 6.7. | Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2) | 33 |
| 6.8. | Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1)) and 10.25(3)) | 33 |
| 6.9. | Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2)) | 34 |
| 6.10. | Obligations concerning change in network owner (Clause 29 Schedule 11.1) | 34 |
| 6.11. | Electrically connecting NSP that is not point of connection to grid (Clause 10.30(1)).... | 35 |
| 6.12. | Change of MEP for embedded network gate meter (Clause 10.22(1)(b)) | 35 |
| 6.13. | Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2) | 36 |
| 6.14. | Transfer of ICPs for embedded network (Clause 6 Schedule 11.2)..... | 36 |
| 7. | Maintenance of shared unmetered load | 37 |
| 7.1. | Notification of shared unmetered load ICP list (Clause 11.14(2) and (4)) | 37 |
| 7.2. | Changes to shared unmetered load (Clause 11.14(5))..... | 37 |
| 8. | Calculation of loss factors | 38 |
| 8.1. | Creation of loss factors (Clause 11.2)..... | 38 |
| Conclusion | | 39 |
| Participant response | | 39 |

EXECUTIVE SUMMARY

The Lines Company Ltd (TLC) intends to replace their Gentrack system with the Orion system.

Clause 16A.11 of Part 16 requires that if a participant intends to make a “material” change to any system or process then the changes must be subject to an audit prior to the change taking place. This audit was therefore performed at the request of TLC so that it can be supplied to the Electricity Authority to satisfy the requirements of Clause 16A.11(1).

The audit was conducted in accordance with the Guideline for Distributor Audits version 7.2, which was produced by the Electricity Authority.

The test plan and test results, along with the areas I examined, demonstrate that compliance is likely to be achieved when the Orion system is implemented. I have made four recommendations which if adopted, will help to ensure registry errors are minimised, or are found quickly.

TLC’s next audit is due by September 21st 2018. I recommend the Authority considers changing this date to a period after the implementation of the new system. A date of November or December is recommended.

The matters raised are shown in the tables below:

AUDIT SUMMARY

NON-COMPLIANCES

| Subject | Section | Clause | Non Compliance | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|---------------------------------|---------|--------|----------------|----------|-------------------|--------------------|-----------------|
| | | | Nil | | | | |
| Future Risk Rating | | | | | | 0 | |
| Indicative Next Audit Frequency | | | | | | 36 months | |

RECOMMENDATIONS

| Subject | Section | Recommendation (clause) | Description |
|--|---------|-------------------------|---|
| Registry error correction | 2.2 | 11.2(2) | Test the monthly registry validation and reporting process and provide results. |
| Provision of registry information | 3.3 | 11.7 | Consider automating the population of the “export network changes” field to minimize the possibility of data not being populated on the registry. |
| Develop and test reporting of ICPs at new or ready for 24 months | 3.13 | 15 of Schedule 11.1 | Develop and test reporting of ICPs at new or ready for 24 months. |
| Population of IECD | 4.6 | 7(1) of Schedule 11.1 | Develop reporting to ensure all newly created ICPs have the IECD |

| | | | |
|--|--|--|------------|
| | | | populated. |
|--|--|--|------------|

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

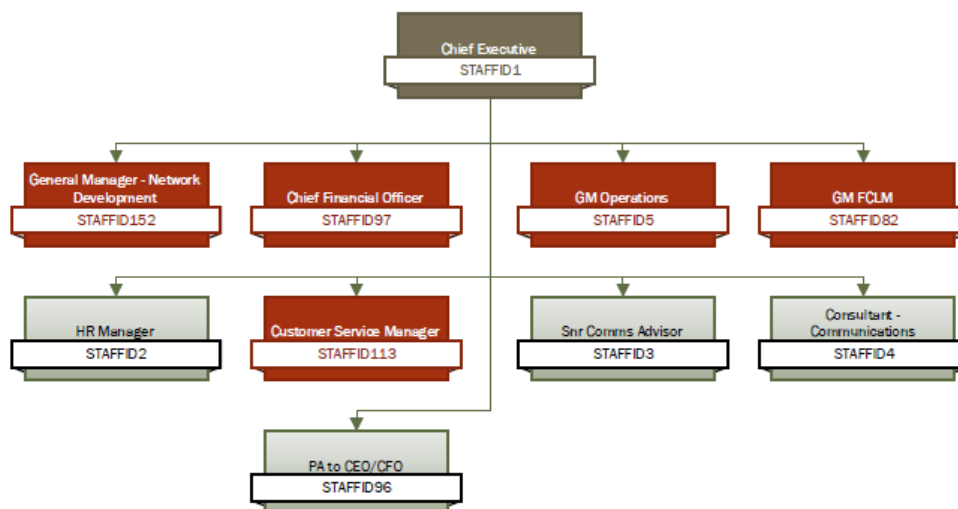
TLC has no exemptions in place that are relevant to the scope of this audit.

Audit commentary

Not Applicable

1.2. Structure of Organisation

TLC provided an organisational structure:



1.3. Persons involved in this audit

Auditor:

Steve Woods

Veritek Limited

Electricity Authority Approved Auditor

| Name | Title |
|----------------|------------------|
| Melanie Barton | Registry Manager |
| Tony McGeady | Consultant |

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

TLC does not subcontract any activities within the scope of this audit.

Audit commentary

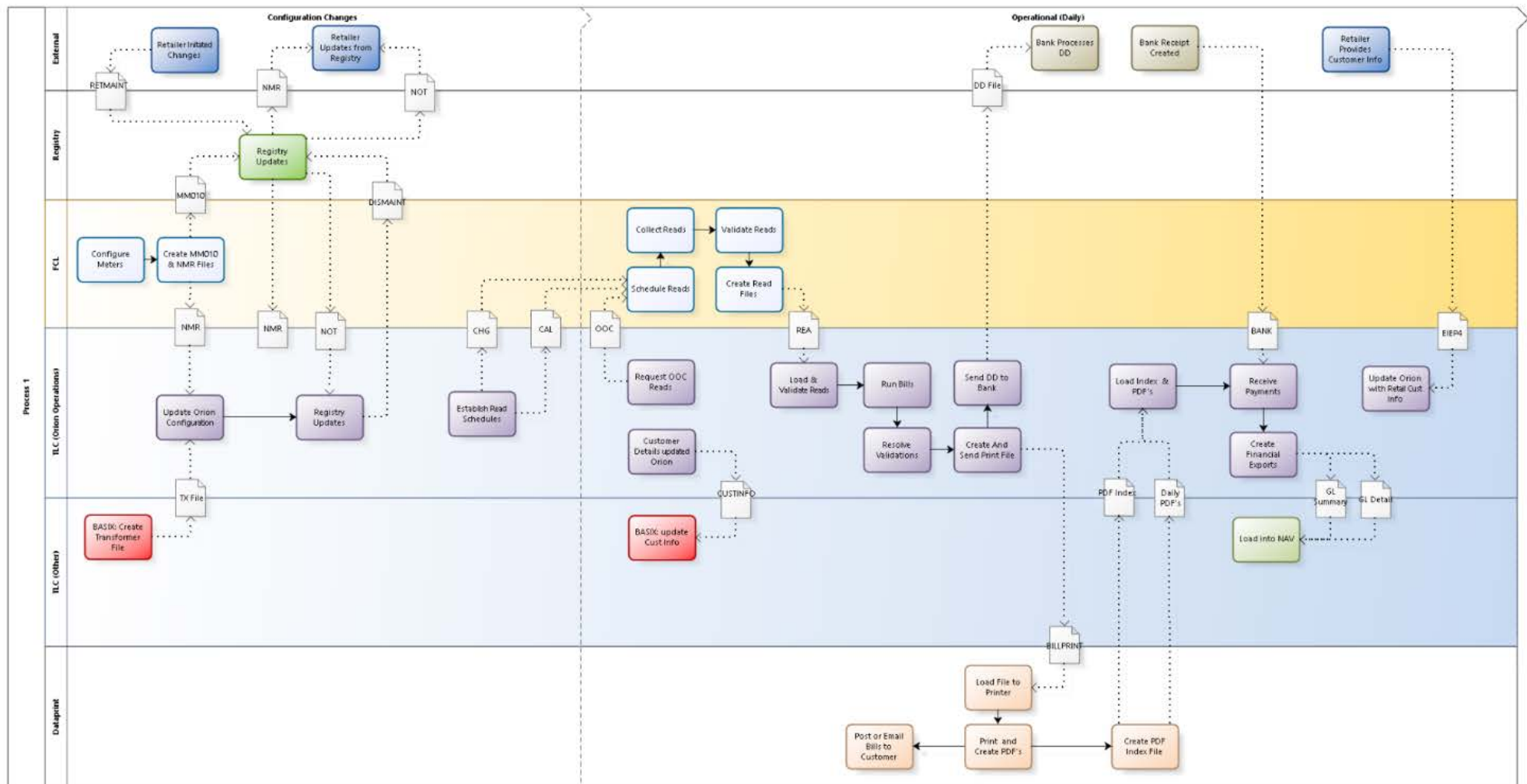
Not applicable

1.5. Supplier list

TLC does not subcontract any activities within the scope of this audit.

1.6. Hardware and Software

TLC provided the diagram below showing the integration of the Orion system with other systems and processes.



1.7. Breaches or Breach Allegations

TLC has no breach allegations recorded by the Electricity Authority that relate to this audit.

1.8. ICP and NSP Data

The table below lists the relevant NSPs, and their associated balancing areas. There have been no changes made during the audit period.

| Distributor | NSP POC | Description | Parent POC | Parent Network | Balancing Area | Network type | Start date | No of ICPs |
|-------------|---------|---------------|------------|----------------|----------------|--------------|------------|------------|
| LINE | ATI0111 | ATIAMURI | HTI0331 | LINE | NORTHLINEG | I | 1/05/2008 | 0 |
| LINE | HTI0331 | HANGATIKI | | | NORTHLINEG | G | 1/02/2012 | 11,436 |
| LINE | MEP0112 | MOKAI | HTI0331 | LINE | NORTHLINEG | I | 16/02/2012 | 0 |
| LINE | MEP0113 | MOKAI | HTI0331 | LINE | NORTHLINEG | I | 16/02/2012 | 0 |
| LINE | NPK0331 | NATIONAL PARK | | | CENTRALLINEG | G | 1/07/2011 | 831 |
| LINE | OKN0111 | OHAKUNE | | | OKN0111LINEG | G | 1/05/2008 | 1,970 |
| LINE | ONG0331 | ONGARUE | | | CENTRALLINEG | G | 1/05/2008 | 4,493 |
| LINE | TKU0331 | TOKAANU | | | CENTRALLINEG | G | 1/05/2008 | 4,771 |
| LINE | WKM0331 | WHAKAMARU | HTI0331 | LINE | NORTHLINEG | I | 1/05/2008 | 0 |

TLC provided a list of all ICPs as at July 2017 during their Distributor audit. This information is shown in the table below.

| Status | Number of ICPs 2017 | Number of ICPs 2016 | Number of ICPs 2015 |
|---|---------------------|---------------------|---------------------|
| Distributor | 0 | 0 | 0 |
| New | 0 | 0 | 0 |
| Ready | 8 | 9 | 7 |
| Active (2,0) | 23,501 | 23,311 | 23,766 |
| Inactive - new connection in progress (1,12) | 34 | 28 | 25 |
| Inactive – vacant (1,4) | 435 | 752 | 909 |
| Inactive - reconciled elsewhere (1,5) | 1 | | |
| Inactive – AMI remote disconnection (1,7) | 1 | 0 | 1 |
| Inactive – de-energised due to meter disconnected (1,8) | 50 | 38 | 104 |
| Inactive – at pole fuse(1,9) | 1 | 1 | 0 |
| Inactive – de-energised at meter box switch (1,10) | 0 | 0 | 0 |
| Inactive - at meter box switch (1,11) | 9 | 57 | 415 |
| Inactive – ready for decommissioning (1,6) | 76 | 52 | 67 |
| Decommissioned (3) | 2,832 | 2,502 | 2,269 |

1.9. Authorisation Received

A letter of authorisation was not required.

1.10. Scope of Audit

TLC intends to replace their Gentrack system with the Orion system.

Clause 16A.11 of Part 16 requires that if a participant intends to make a “material” change to any system or process then the changes must be subject to an audit prior to the change taking place. This audit was therefore performed at the request of TLC so that it can be supplied to the Electricity Authority to satisfy the requirements of Clause 16A.11(1).

The audit was conducted in accordance with the Guideline for Distributor Audits version 7.2, which was produced by the Electricity Authority.

The table below shows the areas within the scope of the audit, which will be affected by the system change.

| Area | Within audit scope |
|--|--------------------|
| Creation of ICPs | ✓ |
| Maintenance of registry information | ✓ |
| Creation and maintenance of loss factors | ✗ |
| Creation and maintenance of NCPs | ✓ |
| Maintenance of shared unmetered load | ✓ |
| Calculation of loss factors | ✗ |

All activities covered by this audit are conducted at TLC’s office in Te Kuiti.

1.11. Summary of previous audit

TLC provided a copy of their previous audit report, conducted by Rebecca Elliot of Veritek Limited in August 2017. The status of the previous non-compliances and recommendations are detailed below:

NON-COMPLIANCES

| Subject | Section | Clause | Non Compliance | Status |
|---|---------|---------|---|------------|
| Provide complete and accurate information | 2.1 | 11.2(1) | No registry validation in place to ensure information is correct and accurate. Distributed generation recorded on the registry at the point of | Identified |

| Subject | Section | Clause | Non Compliance | Status |
|--|---------|--------------------------------|--|---------------|
| | | | application and not connection could be misleading to retailers. | |
| Correct errors | 2.2 | 11.2(2) | Errors not fixed as soon as practicable. No registry validation process in place. | Identified |
| Participants may request distributor to create ICPs | 3.2 | 11.5(3) | ICPs not created within 3 days of request from retailer. | Identified |
| Provision of ICP information | 3.3 | 11.7 | One ICP sent to the registry with information missing. | Identified |
| Timeliness of provision of information | 3.4 | 7(2) of Schedule 11.1 | Two ICPs not populated to registry prior to electricity being traded. | Identified |
| Timeliness of provision of the initial energisation date | 3.5 | 7(2A) of Schedule 11.1 | Late population of the initial energisation date. | Identified |
| Connection of ICPs | 3.6 | 11.17 | Two ICPs energised before the trader's information was populated to the registry. | Investigating |
| Electrical connection of ICPs | 3.7 | 10.28(7) | Two ICPs electrically connected prior to retailer accepting responsibility. | Investigating |
| Electrical connection of ICP that is not an NSP | 3.8 | 10.31 | Two ICPs electrically connected prior to retailer accepting responsibility. | Investigating |
| Changes to registry information | 4.1 | 8 of Schedule 11.1 | Registry event updates backdated greater than three days or in the case of 1 ICP an NSP change greater than 23 days. | Identified |
| Notice of NSP | 4.2 | 7(1),(4) and (5) Schedule 11.1 | Two ICPs mapped to the incorrect NSP. | Identified |
| ICP location | 4.4 | 2 | Some duplicate addresses exist and | Identified |

| Subject | Section | Clause | Non Compliance | Status |
|---|---------|--------------------|---|---------------|
| address | | Schedule 11.1 | some addresses do not have street numbers or other information to allow the ICP to be readily located. | |
| Distributors to Provide ICP Information to the Registry | 4.6 | 7(1) Schedule 11.1 | Distributed generation recorded on the registry prior to being electrically connected. Incorrect installation type of "L" instead of "B" for 3 ICPs. IED missing for 19 ICPs. | Investigating |

RECOMMENDATIONS

| Subject | Section | Recommendation | Status |
|---|---------|---|---------------|
| Participants may request distributor to create ICPs | 3.2 | For any instances where the ICP is not created within 3 business days of the retailer's request send a notification to the retailer advising of the reason. | Identified |
| Distributors to Provide ICP Information to the Registry | 4.6 | Adopt the recommended format for the population of unmetered load details. | Identified |
| Notification of shared unmetered load ICP list | 7.1 | Liaise with Waitomo District Council to determine the correct owners of potential shared unmetered load. | Investigating |

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(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 Part 11 is:

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

Audit observation

I checked whether implementation of the Orion system was likely to cause non-compliance with this clause.

Audit commentary

Implementation of the Orion system is likely to improve compliance with this clause. No examples of incomplete, misleading or deceptive information were identified.

Audit outcome

Compliant

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

Code reference

Clause 11.2(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

I checked the intended validation processes in Orion to confirm compliance.

Audit commentary

With the implementation of Orion, it is intended that a monthly validation will occur between the registry list file (with history) and the data in Orion. I recommend this validation and reporting process is tested prior to go-live.

| Recommendation | Description | Audited party comment | Remedial action |
|----------------|---|--|-----------------|
| 11.2(2) | Test the monthly registry validation and reporting process and provide results. | This is part of the business process development phase which will be completed prior to the planned System "go Live". Reports will be created to support the business processes. | Identified |

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

ICPs will be created in Orion. I checked the testing results to confirm compliance.

Audit commentary

The test results confirm ICPs are created in Orion in the compliant format.

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 timeliness of ICP creation is a process and is not reliant on the system. The process will not change as a result of the Orion implementation.

Audit commentary

The timeliness of ICP creation is a process and is not reliant on the system. The process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

3.3. Provision of ICP Information to the registry (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

Orion will interface with the registry. I checked the output file formats and I checked the process for a sample file populating the test registry. I also checked the data flow from the registry into Orion.

Audit commentary

The ICP creation process requires the operator to create an ICP in Orion and then this is pushed through to the registry. The data entry process requires the operator to tick the “export network changes” flag before any updates will go to the registry. In my experience, it’s easy to miss this step, leading to registry changes not being made. Whilst it’s possible to report on scenarios where changes have been made to Orion but the changes have not been sent, I recommend TLC evaluates the possibility of automating the population of this flag once any changes have been made to Orion.

| Recommendation | Description | Audited party comment | Remedial action |
|----------------|---|--|-----------------|
| 11.7 | Consider automating the population of the “export network changes” field to minimize the possibility of data not being populated on the registry. | This recommendation will be actioned and included in the final “go-live” system. | Identified |

Population of the registry and receipt of registry data was checked in the test systems and operates as intended. All relevant fields in the file need to be populated or there will be an exception. Any file rejections are loaded into Orion and there is reporting of these situations.

Audit outcome

Compliant

3.4. Timeliness of Provision of ICP Information to the registry (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 timeliness of the provision of data relies on process and is not reliant on the system. The process will not change as a result of the Orion implementation.

Audit commentary

The timeliness of the provision of data relies on process and is not reliant on the system. The process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

3.5. Timeliness of Provision of Initial Energisation 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 sub-clause (1)(p) to the registry no later than 10 business days after the date on which the ICP is initially energised.

Audit observation

The timeliness the provision of data relies on process and is not reliant on the system. The process will not change as a result of the Orion implementation.

Audit commentary

The timeliness the provision of data relies on process and is not reliant on the system. The process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

3.6. Connection of ICPs (Clause 11.17)

Code reference

Clause 11.17

Code related audit information

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

The distributor must not electrically 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 electrically connect an ICP unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load.

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

3.7. Electrical connection of ICPs (Clause 10.28(7))

Code reference

Clause 10.28(7)

Code related audit information

A network owner must not electrically connect a new point of connection that is to be quantified by metering unless requested to do so by the:

- *MEP (for a temporary energisation); or*
- *reconciliation participant responsible for ensuring there is a metering installation.*

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

3.8. Electrical connection of ICP that is not an NSP (Clause 10.31)

Code reference

Clause 10.31

Code related audit information

A distributor must not electrically connect an ICP that is not also an NSP unless:

- *the trader trading at the ICP has requested the electrical connection; or*
- *the MEP who has an arrangement with the trader trading at the ICP has requested temporary energisation of the ICP.*

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

3.9. Electrical connection of NSP that is not a point of connection to the grid (Clause 10.30(2))

Code reference

Clause 10.30(2)

Code related audit information

A distributor must, within five business days of electrically connecting an NSP that is not also a point of connection to the grid, notify the reconciliation manager of the following in the prescribed form:

- *the NSP electrically connected*
- *the date of the electrical connection*
- *the participant identifier of each MEP*
- *the certification expiry date for each metering installation.*

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

xxxxxxxxxxccc where:

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

Audit observation

ICPs will be created in Orion. I checked the testing results to confirm compliance.

Audit commentary

The test results confirm ICPs are created in Orion in the compliant format.

Audit outcome

Compliant

3.11. 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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

3.12. 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 new connection process was examined.

Audit commentary

TLC’s new connections process is not designed to use the “New” status. All ICPs are created at the “Ready” status.

Audit outcome

Not applicable

3.13. 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 calendar 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

The management of ICPS at the “new” and “ready” status was examined.

Audit commentary

Orion has a reporting capability which can be tailored to include reporting of ICPs at new and ready. This is not yet in place and I’ve included a recommendation to ensure visibility of this matter.

| Recommendation | Description | Audited party comment | Remedial action |
|----------------------------|---|---|-----------------|
| Clause 15 of Schedule 11.1 | Develop and test reporting of ICPs at new or ready for 24 months. | Agree with need and as in earlier validation recommendation we will include this as part of the supporting business processes and reports | Identified |

Audit outcome

Compliant

3.14. 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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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 provide notice to the registry 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 14 days, the time within which notification must be effected in accordance with Clause 8(3) of Schedule 11.1 begins on the 15th day after the change.

Audit observation

Orion will interface with the registry. I checked the output file formats and I checked the process for a sample file populating the test registry. I also checked the data flow from the registry into Orion.

Audit commentary

Changes to data in Orion are automatically sent to the registry. The data entry process requires the operator to tick the “export network changes” flag before any updates will go to the registry. In my experience, it’s easy to miss this step, leading to registry changes not being made. Whilst it’s possible to report on scenarios where changes have been made to Orion but the changes have not been sent, I recommend TLC evaluates the possibility of automating the population of this flag once any changes have been made to Orion. This recommendation is included in **Section 3.3** and is also relevant to this clause.

Population of the registry and receipt of registry data was checked in the test systems and operates as intended. All relevant fields in the file need to be populated or there will be an exception. Any file rejections are loaded into Orion and there is reporting of these situations.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

The distributor must notify the registry of the NSP identifier of the NSP to which the ICP is usually connected under Clause 7(1)(b) of Schedule 11.1.

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

I checked the process for entering the NSP information in Orion.

Audit commentary

NSP information is derived from TLC's asset management system, Basix. When ICPs are created in Orion, the operator will select a transformer, which is linked to the other relevant information, including NSP. The transformer identifier is provided by the network engineers based off the GIS and this is detailed on the AFS form.

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

TLC bills its customer's directly for line charges therefore they do receive ICP queries from customers.

Audit commentary

TLC does receive direct requests for ICP identifiers and these are provided immediately. TLC invoices customers directly and the ICP is contained on all invoices.

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

I checked the process for the management of address information in Orion.

Audit commentary

There is a requirement to perform a "lookup" of a proposed address entry and this will identify any duplicates. I checked an example in the test system.

Audit outcome

Compliant

4.5. ICP de-energisation (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 de-energised without de-energisation of 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 difference between the total consumption for the embedded network and all other ICPs on the embedded network.

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

4.6. Distributors to Provide ICP Information to the Registry (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:

- *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 from metering information*
- c) *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*
 - c) *the initial energisation date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

Audit observation

Orion will interface with the registry. I checked the output file formats and I checked the process for a sample file populating the test registry. I also checked the data flow from the registry into Orion.

Audit commentary

Changes to data in Orion are automatically sent to the registry. The data entry process requires the operator to tick the "export network changes" flag before any updates will go to the registry. In my experience, it's easy to miss this step, leading to registry changes not being made. Whilst it's possible to report on scenarios where changes have been made to Orion but the changes have not been sent, I recommend TLC evaluates the possibility of automating the population of this flag once any changes have been made to Orion. This recommendation is included in **Section 3.3** and is also relevant to this clause.

Population of the registry and receipt of registry data was checked in the test systems and operates as intended. All relevant fields in the file need to be populated or there will be an exception. Any file rejections are loaded into Orion and there is reporting of these situations.

Migration of data from Gentrack to Orion will occur prior to go-live. Data validation is occurring between Gentrack and the registry, then the registry data (PR030) will be uploaded into Orion. This has been tested three times already and will continue to be tested until there are zero discrepancies.

One issue identified in previous audits is that of blank Initial Electrical Connection dates. I recommend reporting is developed to ensure all newly created ICPs have this date populated.

| Recommendation | Description | Audited party comment | Remedial action |
|------------------------------|---|--|-----------------|
| Clause 7(1) of Schedule 11.1 | Develop reporting to ensure all newly created ICPs have the IECD populated. | The IECD field is already present and operating in the ORION system. The New Connection Business process is being re-designed to fit with the new system and population of this date will be a requirement of the process. | Identified |

Audit outcome

Compliant

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

The new connection process was examined.

Audit commentary

TLC bill their customers directly so the price category is the same for all ICPs, and is in effect a placeholder. This is known for all ICPs and is a fixed field in Orion.

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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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 on the registry, the distributor must enter the replaced loss factor on the table in the registry.

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

If the distributor is creating or decommissioning an NSP that is an interconnection point between two local networks, the distributor must notify 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 notify 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 notify 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:

- *notify the reconciliation manager*
- *notify the market administrator*
- *notify each affected reconciliation participant*
- *comply with Schedule 11.2.*

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

If a participant has notified the creation of an NSP on the distributor's network, the distributor must notify 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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must notify the reconciliation manager at least one calendar 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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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 notify 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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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 notify any trader trading at the ICP of the transfer at least one calendar month before the transfer.

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

If the distributor wishes to transfer an ICP, the distributor must notify the market administrator in the prescribed form, no later than three business days before the transfer takes effect.

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

- *there is 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 notify 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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Compliant

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

Code reference

Clause 10.25(2)

Code related audit information

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

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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

If a network owner acquires all or part of a network, the network owner must notify:

- *the previous network owner (Clause 29(1)(a) of Schedule 11.1)*
- *the reconciliation manager (Clause 29(1)(b) of Schedule 11.1)*
- *the market administrator (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 calendar month notification is required before the acquisition (Clause 29(2) of Schedule 11.1).

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

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

6.11. Electrically connecting NSP that is not point of connection to grid (Clause 10.30(1))

Code reference

Clause 10.30(1)

Code related audit information

A distributor must not electrically connect an NSP that is not a point of connection to the grid unless:

- *a reconciliation participation has requested the electrical connection (Clause 10.30(1)(a)); or*
- *a metering equipment provider (authorised by the trader) has requested the electrical connection for a temporary energisation of the ICP (Clause 10.30(1)(b)).*

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

6.12. 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 notify the reconciliation manager and the gaining MEP.

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

6.13. 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 market administrator 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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

6.14. 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

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

The distributor must notify the registry 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 notify the registry and each trader responsible for any of the ICPs across which the unmetered load is shared of the addition or omission of the ICP.

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

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 notify all traders affected by that change or decommissioning as soon as practicable after the change or decommissioning.

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

This process will not change as a result of the Orion implementation.

Audit commentary

This process will not change as a result of the Orion implementation.

Audit outcome

Not applicable

CONCLUSION

The test plan and test results, along with the areas I examined, demonstrate that compliance is likely to be achieved when the Orion system is implemented. I have made four recommendations which if adopted, will help to ensure registry errors are minimised or are found quickly.

PARTICIPANT RESPONSE

We are pleased with the results of this material change audit. There were 4 recommendations – one a system recommendation which had already been picked up during the testing phase. The 3 process orientated recommendations will be incorporated in to the business process modelling work currently being undertaken to provide system support.