

# **ELECTRICITY INDUSTRY PARTICIPATION CODE DISTRIBUTOR AUDIT REPORT**

For

MountainPower

Prepared by: Paul Troon

Date audit commenced: 31 January 2018

Date audit report completed: 14 February 2018

Audit report due date

2 July 2017

---

## TABLE OF CONTENTS

Executive summary .....	4
Audit summary.....	5
Non-compliances .....	5
Recommendations.....	5
Recommendations .....	5
Issues 6 .....	
1. Administrative.....	7
1.1. Exemptions from Obligations to Comply With Code (Section 11) .....	7
1.2. Structure of Organisation .....	7
1.3. Persons involved in this audit .....	7
1.4. Use of Contractors (Clause 11.2A) .....	7
1.5. Supplier list.....	7
1.6. Hardware and Software .....	7
1.7. Breaches or Breach Allegations.....	7
1.8. ICP and NSP Data.....	8
Authorisation Received.....	8
1.9. Scope of Audit .....	8
1.10. Summary of previous audit .....	9
2. Operational Infrastructure.....	10
2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1)) .....	10
2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2)).....	11
3. Creation of ICPs.....	12
3.1. Distributors must create ICPs (Clause 11.4) .....	12
3.2. Participants may request distributors to create ICPs (Clause 11.5(3)).....	13
3.3. Provision of ICP Information to the registry manager (Clause 11.7).....	14
3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule 11.1).....	15
3.5. Timeliness of provision of Initial electrical connection date (Clause 7(2A) of Schedule 11.1).....	16
3.6. Connection of ICP that is not an NSP (Clause 11.17).....	17
3.7. Connection of ICP that is not an NSP (Clause 10.31).....	18
3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A).....	19
3.9. Connection of NSP that is not a point of connection to grid (Clause 10.30(2)) .....	20
3.10. Temporary electrical connection of NSP that is not point of connection to grid (Clause 10.30(A)).....	21
3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1) .....	22
3.12. Loss category (Clause 6 Schedule 11.1).....	23
3.13. Management of “new” status (Clause 13 Schedule 11.1).....	24
3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1).....	25
3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1) .....	26
4. Maintenance of registry information .....	27
4.1. Changes to registry information (Clause 8 Schedule 11.1) .....	27
4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1) .....	29
4.3. Customer queries about ICP (Clause 11.31(2)) .....	30
4.4. ICP location address (Clause 2 Schedule 11.1) .....	31
4.5. Electrically disconnecting an ICP (Clause 3 Schedule 11.1) .....	33
4.6. Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1).....	34
4.7. Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1) .....	38
4.8. GPS coordinates (Clause 7(8) and (9) Schedule 11.1) .....	39
4.9. Management of “ready” status (Clause 14 Schedule 11.1) .....	40
4.10. Management of “distributor” status (Clause 16 Schedule 11.1) .....	41

4.11.	Management of “decommissioned” status (Clause 20 Schedule 11.1)	42
4.12.	Maintenance of price category codes (Clause 23 Schedule 11.1)	43
5.	Creation and maintenance of loss factors	44
5.1.	Updating table of loss category codes (Clause 21 Schedule 11.1)	44
5.2.	Updating loss factors (Clause 22 Schedule 11.1)	45
6.	Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs)	46
6.1.	Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1)	46
6.2.	Provision of NSP information (Clause 26(1) and (2) Schedule 11.1)	47
6.3.	Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1)	48
6.4.	Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)	49
6.5.	Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1)	50
6.6.	Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1)	51
6.7.	Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)	52
6.8.	Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1))	53
6.9.	Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2))	55
6.10.	Obligations concerning change in network owner (Clause 29 Schedule 11.1)	56
6.11.	Change of MEP for embedded network gate meter (Clause 10.22(1)(b))	57
6.12.	Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)	58
6.13.	Transfer of ICPs for embedded network (Clause 6 Schedule 11.2)	59
7.	Maintenance of shared unmetered load	60
7.1.	Notification of shared unmetered load ICP list (Clause 11.14(2) and (4))	60
7.2.	Changes to shared unmetered load (Clause 11.14(5))	61
8.	Calculation of loss factors	62
8.1.	Creation of loss factors (Clause 11.2)	62
	Conclusion	63
	Participant response	63
	Appendix A - Template for non-compliance, issues and recommendations.	64
	Non-compliance	64
	Recommendation	64
	Issue	64

## EXECUTIVE SUMMARY

This distributor audit report is produced for Mountain Power (MPOW) who own and operate two embedded networks located in Twizel.

Mountain Power use Alpine Energy (ALPE) as their agent for performing tasks under the Code except for the maintenance of ICP address information which they perform themselves. We have therefore obtained the latest Alpine Energy audit report to inform this audit, and have audited the in house function of maintaining ICP address information on the registry. The ALPE audit report was completed on 1 December 2017 and is less than 7 months old.

A number of relevant matters of alleged non compliance are identified in the ALPE audit report, we have therefore obtained a full set of registry reports in order to determine the extent to which these alleged matters of non compliance apply to MPOW.

We have the previous MPOW distributor audit report which was completed on 31 August 2016 in which two alleged matters of non compliance were identified;

1. Failure to provide correct initialization date for 16 ICPs, and
2. Registry information not updated with 3 business days

These are identified as trivial matters of non compliance that would not have had any adverse impact on the market or any participant. These matters are included within the scope of this audit.

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Complete and accurate information	2.1	11.2(1) and 10.6(1)	Information on registry incomplete or inaccurate	Moderate	Low	2	Identified
ICP electrical connection date	3.5	7(2A) Schedule 11.1	Late updating of initial electrical connection date for 18 ICPs	Moderate	Low	2	Identified
Maintain registry information	4.1	8 of Schedule 11.1	Registry events not updated within 3 business days	Moderate	Low	2	Identified
ICP location address	4.4	2 of schedule 11.1	Location address for 10 ICPs inadequate	Moderate	Low	2	Cleared
NSP certification details	6.8	10.25(3)	Registry manager not advised of recertification details	Moderate	Low	2	Cleared
Change of MEP for NSP metering installation	6.11	10.22(1)(b)	Registry Manager not informed of changed MEP for NSP metering	Moderate	Low	2	Cleared
Future Risk Rating						12	

### RECOMMENDATIONS

Subject	Section	Recommendation	Description

### RECOMMENDATIONS

## ISSUES

Subject	Section	Issue	Description

## 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 commentary

The participant does not hold any current exemption from compliance with the Code.

### 1.2. Structure of Organisation

Not applicable

### 1.3. Persons involved in this audit

Name	Title	Company
Andrew Hocken	Company director	Mountain Power
Paul Troon	Auditor	Paul Troon Consultancy

### 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 commentary

MOPO use Alpine Energy to perform registry functions and their new connection process.

### 1.5. Supplier list

Not applicable

### 1.6. Hardware and Software

Not applicable

### 1.7. Breaches or Breach Allegations

No existing breaches or breach allegations are identified.

### 1.8. ICP and NSP Data

The following information is sourced from the NSP table.

NSP	POC code	Network participant	Reconciliation type	Balancing code	Start date	MEP	Responsible participant	Certification expiry
MMP0111MOPOEN	MMP0111	MOPO	EN	MMP0111MOPOE	01/05/2008	AMSL	MOPO	15/02/2016
MMT0111MOPOEN	MMT0111	MOPO	EN	MMT0111MOPOE	01/05/2008	ALPE	MOPO	14/12/2017

The following information is sourced from the audit data set.

Status	Number of ICPs 31/1/2018
New (999,0)	0
Ready (0,0)	6
Distributor (888,0)	0
Active (2,0)	182
Inactive- new connection in progress (1,12)	4
Inactive – vacant (1,4)	
Inactive – AML remote disconnection (1,7)	1
Inactive – -de-energised due to meter disconnected (1,8)	0
Inactive – - at pole fuse(1,9)	0
Inactive – de-energised at meter box switch (1,10)	0
Inactive- at meter box switch (1,11)	0
Inactive – ready for decommissioning (1,6)	0
Decommissioned (3)	1

### Authorisation Received

Not applicable - the auditor has not required authorisation to seek information from any party regarding this audit.

### 1.9. Scope of Audit

The base scope of this audit is all distributor functions as required by Clauses 16A.3 to 16A.16 and 16A.23

The following additional matters are considered.

#### Emphasis required by Authority Clause 10A.9

We have not received any notice of specific emphasis required by the Authority.

#### Self reported instances of non compliance

We have not been advised of any self reported instances of non compliance.

#### Follow up from previous audit

From the review of the previous audit we identify the following matters as included in the scope of audit.

- Clause 7 (1) (p) of Schedule 11.1 - provision of initial energisation date.



- Clause 8 (2) (b) of Schedule 11.1 - registry information updated within 3 business days.

#### 1.10. Summary of previous audit

The following information is sourced from the previous audit report.

##### Table of non-compliance

Non-compliance	Description	Audited party comment	Remedial action
<b>With:</b> Clause 7 (1) (p) of schedule 11.1	Failure to provide correct initial energisation date for 16 new ICPs.		Investigating
<b>From / to:</b> Open	<b>Indicative impact:</b> Unknown		
	<b>Audit history:</b> None		
	<b>Procedures:</b> Need improvement		
Non-compliance	Description	Audited party comment	Remedial action
<b>With:</b> 8(2)(b) of schedule 11.1	Registry information not updated within 3 business days.		Investigating
<b>From / to:</b> Open	<b>Indicative impact:</b> Unknown		
	<b>Audit history:</b> Once		
	<b>Procedures:</b> Need improvement		

##### Table of recommendations

There were no recommendations arising from the previous audit.

## 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

We have extensively evaluated the audit data set throughout this audit to determine instances of the provision of incorrect or incomplete information.

#### Audit commentary

MOPO work diligently to provide complete and accurate information and have adequate processes in place relative to the size of their operation.

We find some instances where complete information has not been provided. Details of these are reported as non compliance in the appropriate section of this audit report being sections; 3.5, 4.1 and 4.6. All are considered minor.

We have not identified any instance where MOPO have provided information that was or may have been misleading or deceptive.

#### Audit outcome

##### Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2(1) and 10.6(1) From: 01-Jun-17 To: 31-Jan-18	Information on registry not complete and accurate. Potential impact: None Actual impact: None Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The errors identified are trivial and have no impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

## 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

We have extensively evaluated the audit data set throughout this audit for errors that should have been corrected. During the audit we identified that 10 ICPs had inadequate address information.

### Audit commentary

Throughout the audit we have not identified any situations where errors have been identified and corrected during the period of audit.

The errors identified to MOPO from audit observation were corrected promptly.

Compliance is confirmed.

### 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

We have examined the ICP identifiers for all new ICPS created during the period of audit.

##### Audit conclusion

All ICP identifiers have passed the registry ICP identifier test. Compliance is confirmed.

##### Audit outcome

**Compliant**

### 3.2. Participants may request distributors to create ICPs (Clause 11.5(3))

#### **Code reference**

*Clause 11.5(3)*

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

*The distributor, within 3 business days of receiving a request from a participant 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**

We examined the agents audit report to determine compliance with this clause.

#### **Audit commentary**

The agent and therefore MOPO are compliant with this clause.

#### **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 clause 7 of Schedule 11.1.*

#### **Audit observation**

We examined the agents audit report to determine compliance with this clause.

#### **Audit commentary**

The agent and therefore MOPO are compliant with this clause.

#### **Audit outcome**

**Compliant**

### 3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule 11.1)

#### **Code reference**

*Clause 7(2) of Schedule 11.1*

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

*The distributor must provide information specified in Clauses 7(1)(a) to 7(1)(o) of Schedule 11.1 as soon as practicable and prior to electricity being traded at the ICP.*

#### **Audit Observation**

We examined the agents audit report to determine compliance with this clause.

#### **Audit commentary**

The agent and therefore MOPO are compliant with this clause.

#### **Audit outcome**

**Compliant**

### 3.5. Timeliness of provision of Initial electrical connection date (Clause 7(2A) of Schedule 11.1)

#### Code reference

Clause 7(2A) of Schedule 11.1

#### Code related audit information

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

#### Audit Observation

We examined the agents audit report to determine compliance with this clause and find the agent is non compliant.

We examine the registry record of new connections established since the previous audit to determine whether the alleged non compliance is applicable to MOPO. We observe 39 new connections have been created since the completion of the previous audit, of these 18 have no initial electrical connection date and were first traded more than 10 business days before the commencement of this audit.

#### Audit commentary

MOPO has not complied with this requirement of the Code.

The agent audit report indicates that controls in place are moderate and the risk rating is low.

No participant or reconciliation process depends on this information being provided, we therefore assess the potential adverse impact of the alleged non compliance as Low.

#### Audit outcome

##### Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of schedule 11.1  From: 01-Jul-16 To: 31-Jan-18	Late updating of initial electrical connection date for 18 ICPs.  Potential impact: None  Actual impact: None  Audit history: Multiple  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Information has no impact on reconciliation or any other participant, audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	



### 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.*

#### Audit Observation

We examined the agents audit report to determine compliance with this clause.

#### Audit commentary

The agent and therefore MOPO are compliant with this clause.

#### Audit outcome

**Compliant**

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

#### **Code reference**

*Clause 10.31*

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

*A distributor must not connect a an ICP that is not an NSP unless requested to do so by the trader trading at the ICP.*

#### **Audit Observation**

We examined the agents audit report to determine compliance with this clause.

#### **Audit commentary**

The agent and therefore MOPO are compliant with this clause.

#### **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 connect an ICP that is not an NSP if requested by an MEP for a purpose set out in clause 10.31A 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.*

#### Audit Observation

We examined the agents audit report to determine compliance with this clause.

#### Audit commentary

The agent and therefore MOPO are compliant with this clause.

#### Audit outcome

**Compliant**

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

#### Code reference

*Clause 10.30*

#### Code related audit information

*A distributor must not connect an NSP on its network that is not a point of connection to the grid unless requested to do so by the reconciliation participant responsible for ensuring there is a metering installation for the point of connection.*

*The distributor must, within 5 business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:*

- *the NSP that has been connected*
- *the date of the connection*
- *the participant identifier of the MEP for each metering installation for the NSP*

*the certification expiry date of each metering installation for the NSP.*

#### Audit Observation

We have examined the current NSP mapping table and determined that no connection has been made to the distributors network during the period of audit of any new NSP that is not a connection to the grid .

#### Audit commentary

Not applicable

#### Audit outcome

**Not applicable**

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

#### Code reference

*Clause 10.30(A)*

#### Code related audit information

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

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

Evaluate compliance with this clause if any NSP that is not a connection to the grid has been connected.

#### Audit observation

Not applicable.

#### Audit commentary

Not applicable.

#### Audit outcome

Not applicable

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

#### Code reference

*Clause 1(1) Schedule 11.1*

#### Code related audit information

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

*yyyyyyyyyyxxccc where:*

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

#### Audit Observation

We examined the agents audit report to determine compliance with this clause.

#### Audit commentary

The agent and therefore MOPO are compliant with 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**

We examined the agents audit report to determine compliance with this clause.

#### **Audit commentary**

The agent and therefore MOPO are compliant with this clause.

#### **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

We have examined all ICPs in the audit data set and none are in status new. We note that MOPO routinely create ICPs in the ready state.

#### Audit commentary

With the qualification that no such events have occurred during the period of audit we find the participant compliant with this clause of the Code.

#### Audit outcome

**Compliant**



### 3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1)

#### Code reference

Clause 15 Schedule 11.1

#### Code related audit information

*If an ICP has had the status of “New” or has had the status of “Ready” for 24 months or more:*

- *the distributor must ask the trader who intends to trade at the ICP whether the ICP should continue to have that status (Clause 15(2)(a) of Schedule 11.1)*
- *the distributor must decommission the ICP if the trader advises that the ICP should not continue to have that status (Clause 15(2)(b) of Schedule 11.1).*

#### Audit Observation

We examined the agents audit report to determine compliance with this clause and find the agent is non compliant. We have examined the registry record to determine whether or not this alleged non compliance applies to MOPO, and found 6 ICPs in the new state. All have been in the new state for less than 12 months.

#### Audit commentary

Compliance is confirmed.

#### Audit outcome

**Compliant**

### 3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1)

#### Code reference

*Clause 7(6) Schedule 11.1*

#### Code related audit information

*If the ICP connects the distributor's network to an embedded generating station that has a capacity of 10 MW or more (clause 7(1)(f) of Schedule 11.1):*

- *The loss category code must be unique; and*
- *The distributor must provide the following to the reconciliation manager:*
  - *the unique loss category code assigned to the ICP*
  - *the ICP identifier of the ICP*
  - *the NSP identifier of the NSP to which the ICP is connected*
  - *the plant name of the embedded generating station.*

#### Audit Observation

There are no generators with capacity greater than 10MW connected to the MPOW network.

#### Audit commentary

Not applicable.

#### 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 give written notice to the registry manager of that change.*

*Notification must be given by the distributor within 3 business days after the change takes effect, unless the change is to the NSP identifier of the NSP to which the ICP is usually connected (other than a change that is the result of the commissioning or decommissioning of an NSP).*

*In those cases, notification must be given no later than 8 business days after the change takes effect.*

*If the change to the NSP identifier is for more than 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

The agent audit indicates non compliance with this clause, we have examined the registry record and confirm the alleged non compliance is applicable to MPOW as recorded in the following table.

The results of examining registry events are presented in the following table.

Item	Events	Events > 3 Business days
<b>Address events</b>		
Address change	125	71
<b>Pricing events</b>		
Price category code	11	3
Loss code changes	2	2
Chargeable capacity	0	
Installation details	0	
<b>Network events</b>		
Dedicated status	0	
Installation type	0	
Reconciliation type	0	
SI List	0	
UNM detail		

#### Audit commentary

None of the events for which the provision of information was delayed are identified as having any impact on any participant or market operation.

### Audit outcome

#### Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 of schedule 11.1 From: 01-Jul-16 To: 31-Jan-18	Registry events not updated within 3 business days. Address 71, price code 3 and loss code 2. Potential impact: None Actual impact: None Audit history: Multiple Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Control strength is rated by agent audit. Audit risk rating is low because these events are trivial and have no impact on the market or any participant.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

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

##### **Code reference**

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

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

*The distributor must notify the registry manager 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**

The agent audit indicates non compliance with this clause. MOPO have two embedded networks each supplied by a single NSP, therefore the agent non compliance does not apply.

##### **Audit commentary**

Change of NSP for ICP is not relevant to the MOPO networks.

##### **Audit outcome**

**Not applicable**

#### 4.3. Customer queries about ICP (Clause 11.31(2))

##### **Code reference**

*Clause 11.31(2)*

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

*The distributor must advise a customer (or any person authorised by the customer) or embedded generator of the customer or embedded generator's ICP identifier within 3 business days after receiving a request for that information.*

##### **Audit Observation**

We rely on the agents audit report to determine compliance with this clause.

##### **Audit commentary**

The agent and therefore MOPO are compliant with this clause.

##### **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 agent audit report indicates compliance with this clause largely on the basis of GPS coordinates recorded for each ICP. There are no GPS coordinates recorded for MOPO ICPs.

MOPO advise that they maintain address information on the registry themselves and are therefore audited for this function.

We examine all 193 active ICP addresses in the audit data set for the following:

1. **The presence of unique GPS coordinates:** The participant does not populate the registry with GPS coordinates for ICPs, we therefore examine addresses further.
2. **Duplication of addresses:** We have identified 4 ICPs with duplicated address information.
3. **Missing key information:** We have examined 6 ICPs with missing number or street information and find in 6 cases there is insufficient information to allow location of the ICP.
4. **DUML ICPs:** Two DUML ICPs are clearly identified as such.

**Address change event timing:** Is reported in section 4.1 of this audit report.

##### Audit commentary

The following alleged non compliance is identified:

- 4 ICPs with duplicated address information.
- 6 ICPs with insufficient details to allow location of the ICP.

These addresses were promptly updated during the audit process and are now compliant.

##### Audit outcome

**Non-compliant**

Non-compliance	Description		
<p>Audit Ref: 4.4</p> <p>With: Clause 2 of schedule 11.1</p> <p>From: 01-Jul-16</p> <p>To: 31-Jan-18</p>	<p>10 ICP location addresses do not allow ready location of the ICP.</p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls in place are adequate for the scale of operation.</p> <p>The audit risk rating is low because a very small number of ICPs were involved and these are small embedded networks and the ICPs are otherwise readily locatable.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Addresses updated in Registry		9/2/2018	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
MOPO will monitor all <b>new</b> ICP's in the system to ensure appropriate and detailed address information has been entered. If it has not MOPO will correct this. If no known address details exist MOPO will do its best to ensure that appropriate GPS data is entered into the appropriate fields.		9/2/2018	



#### 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

We rely on the agents audit report to determine compliance with this clause.

##### Audit commentary

The agent and therefore MOPO are compliant with 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 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*
- *the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

### Audit observation

agents audit report indicates non compliance with this section, we have therefore examined the registry record to determine the extent to which the alleged non compliance applies to MOPO.

Item Clause 7 (1)	
(a): Location address.	Refer to section 4.4 of this report
(b): NSP usually connected	Refer to section 4.2 of this report
(c): Installation type	<p>There are 182 active ICPs on the network</p> <p>181 are configured as installation type L</p> <p>1 is configured as installation type B</p> <p>0 are configured as installation type G</p> <p>The single type B ICP has generation details correctly provided. One type L ICP (0000030150MO6AF) is configured by the retailer as having the profile PV1 and may or may not have generation connected.</p>
(d): Reconciliation type	<p>The participant is responsible for two embedded networks.</p> <p>We have examined all active ICPs in the audit data set and found all are correctly configured as reconciliation type EN.</p>
(e): Loss category code	<p>We have examined all records for active ICPs in the audit data set and find that all have valid loss category codes applied.</p> <p>Refer also to sections 3.12 and section 5 of this report for further examination of loss category codes and loss factors.</p>
(f): EG > 10MW	There are no generators with capacity > 10MW connected to either network.
(g): Price category code	<p>We have examined all records in the audit data set for price category code and confirm that each ICP has a price category code.</p> <p>We have compared the price category codes in the audit data set with the participants price information records and with the registry. All codes are valid and have associated pricing information.</p> <p>The participant does not use placeholders for price category codes.</p>
(h): Chargeable capacity	We have examined the participants pricing disclosure and find that no chargeable capacities are applicable.
(i): Installation details	<p>(i) the <b>distributor</b> installation details of the <b>ICP</b> determined by the <b>price category</b> code assigned to the <b>ICP</b> (if any), which may be placeholder <b>distributor</b> installation details only if the <b>distributor</b> is unable to assign the actual <b>distributor</b> installation details because the capacity or <b>volume information</b> required to assign the actual <b>distributor</b> installation details cannot be determined before <b>electricity</b> is traded at the <b>ICP</b>:</p> <p>We have examined the participants pricing disclosure and do not find any requirements</p>

Item Clause 7 (1)	
	for the participant to publish installation details fro any ICP on the registry.
(j): First trader	Refer to section 0 for provision of first trader. This information is provided when an ICP is first electrically connected and is not subsequently maintained.
(k): ICP status	<p>ICP status is not directly managed by distributors. Depending on the information provided to the registry an ICP will be allocated a particular status, distributors may effect new, ready and decommissioned status.</p> <p>Refer to the following sections of this audit report for status change analysis.</p> <p><b>New:</b> Section 3.13</p> <p><b>Ready:</b> Section 4.9</p> <p><b>Decommissioned:</b> Section 4.11</p>
(l): Dedicated status	<p>(l) designation of the <b>ICP</b> as "Dedicated" if the <b>ICP</b> is located in a <b>balancing area</b> that has more than 1 <b>NSP</b> located within it, and—</p> <p>(i) the <b>ICP</b> will be supplied only from the <b>NSP</b> with the <b>NSP identifier</b> provided under paragraph (b); or</p> <p>(ii) the <b>ICP</b> is a <b>point of connection</b> between a <b>network</b> and an <b>embedded network</b>:</p> <p>The participants network is supplied by 1 <b>NSP</b> and a consequently 1 balancing area. The dedicated status may therefore be set to either Y or N.</p> <p>Non compliance with this clause is therefore not possible.</p>
(m): UNM details	Unmetered load details were changed for 21 Telecom payphone sites. The load values posted by the distributor were obtained from the trader responsible for the ICPs.
(n): SUML list	The participants network does not have any SUML. Non compliance with this clause is therefore not possible.
(o): DG capacity and fuel type	<p>From the audit data set we identify 1 ICP having installation type B or G indicating the ICPs have generation. All ICPs with installation type B or G have generation capacity and fuel type on the registry.</p> <p>From the audit data set we identify 1 type L ICP trading on the profile PV1 which indicates that the ICP may have embedded generation.</p> <p>It is not possible to determine whether the distributor or trader record is correct, we therefore recommend the distributor investigate these ICPs.</p>
(p): Date initially electrically connected	Refer to section 3.5 of this report.

#### Audit Observation

We examined the maintenance of ICP information on the registry as indicated above.

#### Audit commentary

We find alleged non compliance with the following.

1. 1 MOPO have adequate controls in place to manage this function.

.

Compliance is confirmed.

#### **Audit outcome**

**Compliant**

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

**Code reference**

*Clause 7(3) Schedule 11.1*

**Code related audit information**

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

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

**Audit Observation**

The audit data set was examined for the use of placeholders.

**Audit commentary**

MOPO have not used placeholders for any of price category code, chargeable capacity or distributor installation details. This clause is not applicable.

**Audit outcome**

**Not applicable**

#### 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**

We have examined the audit data set for the existence of GPS coordinates on the registry.

##### **Audit commentary**

MOPO do not publish GPS coordinates for ICP locations on the registry, this clause is therefore not applicable.

##### **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**

We rely on the agents audit report to determine compliance with this clause.

##### **Audit commentary**

The agent and therefore MOPO are compliant with this clause.

##### **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**

We have examined the registry record and there are no distributor status ICPs on the MOPO networks.

The agent audit indicates compliance in this matter.

##### **Audit commentary**

This clause is therefore currently not applicable.

##### **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

We rely on the agents audit report to determine compliance with this clause.

##### Audit commentary

The agent and therefore MOPO are compliant with this clause.

##### Audit outcome

**Compliant**

#### 4.12. Maintenance of price category codes (Clause 23 Schedule 11.1)

##### **Code reference**

*Clause 23 Schedule 11.1*

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

*The distributor must keep up to date the table in the registry of the price category codes that may be assigned to ICPs on each distributor's network by entering in the table any new price category codes.*

*Each entry must specify the date on which each price category code takes effect, which must not be earlier than 2 months after the date the code is entered in the table.*

*A price category code takes effect on the specified date.*

##### **Audit Observation**

The agent audit indicates this clause is not applicable.

We have examined the registry price category code table and confirm no price code changes have been made..

##### **Audit commentary**

There have not been any changes made to pricing in the current audit period, compliance is confirmed.

##### **Audit outcome**

**Compliant**

## 5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

#### Code reference

*Clause 21 Schedule 11.1*

#### Code related audit information

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

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

*A loss category code takes effect on the specified date.*

#### Audit Observation

We have examined the loss category code table on the registry.

#### Audit commentary

There have not been any changes made in the period of audit, compliance is confirmed.

#### Audit outcome

**Compliant**

## 5.2. Updating loss factors (Clause 22 Schedule 11.1)

### Code reference

*Clause 22 Schedule 11.1*

### Code related audit information

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

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

### Audit Observation

We have examined the loss factor table on the registry.

### Audit commentary

Each loss category code has a maximum of 2 loss factors per calendar month and each loss factor covers all trading periods in any month.

Compliance is confirmed.

### Audit outcome

**Compliant**

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

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

#### Code reference

*Clause 11.8 and Clause 25 Schedule 11.1*

#### Code related audit information

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

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

*If the distributor is creating or decommissioning an NSP that is a point of connection between an embedded network and another network, the distributor must 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:*

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

#### Audit Observation

We have examined the NSP table to determine if any NSP has been created or decommissioned during the period of audit.

#### Audit commentary

No NSP has been created or decommissioned during the period of audit. Compliance is confirmed.

#### Audit outcome

**Compliant**

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

### Code reference

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

### Code related audit information

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

*The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between 2 local networks. In all other cases, the request must be made at least 1 calendar month before the NSP is electrically connected or the ICP is transferred.*

### Audit Observation

We have examined the NSP table to determine if any NSP has been created during the period of audit.

### Audit commentary

No new NSP has been created during the period of audit, compliance is confirmed.

### Audit outcome

**Compliant**

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

#### Code reference

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

#### Code related audit information

*If a participant has notified the creation of an NSP on the distributor's network, the distributor must give written notice to the reconciliation manager of the following:*

- *if the NSP is to be located in a new balancing area, all relevant details necessary for the new balancing area to be created and notification that the NSP to be created is to be assigned to the new balancing area*
- *in all other cases, notification of the balancing area in which the NSP is located.*

#### Audit Observation

Examine the NSP table to determine if any the participant has notified the creation of an NSP during the period of audit.

#### Audit commentary

We examined the NSP table and determined that no new NSP has been created during the period of audit, compliance is confirmed.

#### 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 written notice to the reconciliation manager at least 1 month before the creation or transfer of:*

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

##### Audit Observation

Examine the NSP table to for the existence of any embedded networks.

##### Audit commentary

No embedded networks have been created on the MOPO networks during the period of audit, compliance is confirmed.

##### Audit outcome

**Compliant**

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

##### **Code reference**

*Clause 24(2) and (3) Schedule 11.1*

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

*The distributor must give written notice to the reconciliation manager of any change to balancing areas associated with an NSP supplying the distributor's network. The notification must specify the date and trading period from which the change takes effect, and be given no later than 3 business days after the change takes effect.*

##### **Audit Observation**

We have examined the NSP table and each of the two embedded networks is correctly configured as a balancing area. There have not been any changes made during the period of audit.

##### **Audit commentary**

Based on the audit observation described above we find the participant compliant with this clause of the Code.

##### **Audit outcome**

**Compliant**

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

##### Code reference

*Clause 27 Schedule 11.1*

##### Code related audit information

*If a transfer of an ICP results in an ICP becoming an NSP at which an embedded network connects to a network, or in an ICP becoming an NSP that is an interconnection point, in respect of the distributor's network, the distributor must give written notice to any trader trading at the ICP of the transfer at least 1 calendar month before the transfer.*

##### Audit Observation

Examine the NSP table for the addition of any new NSP where an ICP has become the NSP.

##### Audit commentary

No new NSP has been created on the MOPO network during the period of audit, there has therefore not been any ICP becoming an NSP. Compliance is confirmed.

##### Audit outcome

**Compliant**

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

##### **Code reference**

*Clause 1 to 4 Schedule 11.2*

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

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

##### **Audit Observation**

We asked MOPO to identify any ICPs that have been transferred as per clause 1 to 4 of schedule 11.2.

##### **Audit commentary**

We are advised that no ICPs have been transferred, compliance is confirmed.

##### **Audit outcome**

**Compliant**

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

### Code reference

*Clause 10.25(1) and 10.25(3)*

### Code related audit information

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

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

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

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

### Audit Observation

The agent audit indicates this clause as not applicable.

We have examine the NSP table and determine that MOPO are responsible for EN gate metering to both their embedded networks. The NSP table indicates the meter installation certification at each NSP has expired, we therefore requested current metering installation certificates for each NSP and advised MOPO of their responsibility to inform the reconciliation manager of the updated details.

### Audit Observation

Current certificates provided for both NSP metering installations demonstrate the metering installations are currently certified. MOPO have promptly advised the registry manager of the changed details after being advised of this responsibility.

### Audit commentary

Non compliance with 10.25 (3) is identified in that MOPO had not advised the RM of the recertification as required. This alleged non compliance has been cleared.

### Audit outcome

**Non-compliant**

Non-compliance	Description		
Audit Ref: 6.8 With: 10.25(3)  From: 01-Jun-16 To: 31-Jan-18	Registry manager not advised of updated NSP metering installation certification details  Potential impact: None  Actual impact: None  Audit history: None  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls in place are adequate for the size of operation.  Audit risk rating is low because metering installations were recertified on time and the NSP table information is not used for reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

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**

We have examined the NSP table to determine if the participant has proposed any new NSP that is not a connection to the grid.

**Audit commentary**

MOPO have not proposed the creation of any new NSP during the period of audit. Compliance is confirmed.

**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 1 month notification is required before the acquisition (Clause 29(2) of Schedule 11.1).*

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

### Audit Observation

We have asked MOPO if they have acquired any part of any network during the period of audit, MOPO advise they have not acquired any part of any network during the period of audit.

### Audit commentary

Based on the audit observation described above we find the participant compliant with this clause of the Code.

### Audit outcome

**Compliant**



#### 6.11. Change of MEP for embedded network gate meter (Clause 10.22(1)(b))

##### Code reference

Clause 10.22(1)(b)

##### Code related audit information

*If the MEP for an ICP which is also an NSP changes the participant responsible for the provision of the metering installation under Clause 10.25, the participant must advise the reconciliation manager and the gaining MEP.*

##### Audit Observation

We examined the NSP table and find MOPO are responsible for two EN gateway meters. We have established that for one of these (MMT0111MOPOEN) the MEP has changed and MOPO has not advised the RM of this change.

##### Audit commentary

Non compliance is identified for failing to advise the RM of the change of MEP for MMT0111MOPOEN.

##### Audit outcome

##### Non-compliant

Non-compliance	Description		
Audit Ref: 6.11 With: 10.22(1)(b)  From: 01-Sep-17 To: 31-Jan-18	Registry manager not advised of changed MEP for network gate metering. Potential impact: None Actual impact: None Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls in place are adequate for the size of operation. Audit risk rating is low because metering installations were recertified on time and the NSP table information is not used for reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
			Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

## 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

MOPO advised there has not been any ICP transfer during the period of audit.

### Audit commentary

Compliance is confirmed.

### 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**

We ask the participant if any ICP transfer has taken place.

##### **Audit commentary**

We are advised no ICP transfer has taken place, compliance is confirmed.

##### **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 Observation

We examined the registry to determine if the participant has any SUML on their network.

#### Audit commentary

The participant does not have any SUML on their network. Compliance is confirmed.

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

### Audit Observation

We examined the registry to determine if the participant has any SUML on their network.

### Audit commentary

The participant does not have any SUML on their network. Compliance is confirmed.

### 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 Code requires that participants provide complete and accurate information as specified in the Code. The Code does not specify what constitutes complete and accurate information regarding the calculation of loss factors.

Clause 16A.23 identifies additional requirements for distributor audits, including (c) The creation of loss factors.

Distributors are required to provide and update loss factors for loss category codes (clause 22 of schedule 11.1)

In the absence of any standard against which we may evaluate the calculation of loss factors, we compare the loss factors provided by MOPO with those provided for similar networks supplied at 11kV.

At 1.019 the loss factors provided are consistent with our expectation and with other similar networks.

#### Audit commentary

Based on the audit observation described above we find the participant compliant with this clause of the Code.

#### Audit outcome

**Compliant**

## CONCLUSION

From the summary of alleged non compliance the future risk rating is 12.

Applying the relevant table in the distributor guideline the next audit frequency is indicated as 12 months.

**Table 1: Indicative audit frequency**

<b>Future risk rating</b>	0–1	2–5	6–8	9–20	21–29	30+
<b>Indicative audit frequency</b>	36 months	24 months	18 months	12 months	6 months	3 months

Source: Electricity Authority

Given the small size of the combined embedded networks and the triviality of the identified alleged matters of non compliance (none of which have had any adverse impact on the market or any participant) we recommend a next audit frequency of 24 months. This period will provide adequate time for the next audit to confirm ongoing compliance with reporting of gate meter certification details to the Registry Manager.

MOPO have promptly provided all information requested and have promptly corrected all errors as they have been discovered during the audit.

## PARTICIPANT RESPONSE

We have not received a response from the participant.

## APPENDIX A - TEMPLATE FOR NON-COMPLIANCE, ISSUES AND RECOMMENDATIONS.

### NON-COMPLIANCE

Non-compliance	Description	
<p>Audit Ref:</p> <p>With:</p> <p>From: Click here to enter a date.</p> <p>To: Click here to enter a date.</p>	<p>Potential impact: Choose an item.</p> <p>Actual impact: Choose an item.</p> <p>Audit history:</p> <p>Controls: Choose an item.</p> <p>Breach risk rating:</p>	
Audit risk rating	Rationale for audit risk rating	
Choose an item.		
Actions taken to resolve the issue	Completion date	Remedial action status
		Choose an item.
Preventative actions taken to ensure no further issues will occur	Completion date	

### RECOMMENDATION

Recommendation	Description	Audited party comment	Remedial action

### ISSUE

Issue	Description	Remedial action