# ELECTRICITY INDUSTRY PARTICIPATION CODE
# DISTRIBUTOR AUDIT REPORT

For

## SCANPOWER

Prepared by: Ewa Glowacka

Date audit commenced: 28 August 2017

Date audit report completed: 17 October 2017

Audit report due date: 20-Oct-17

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## EXECUTIVE SUMMARY

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

The person who was responsible for the creation of ICPs and the registry updates retired at the end of last year. A new person has taken over his responsibilities. He has worked alongside of the person for a few months to ensure the smooth transition of responsibilities.

There are7,096 ICPs connected to the Scanpower's network. 28 ICPs were created since the last audit. The same spreadsheet, as has been used in the past with some recent modification, is used to manage ICPs. It is a sufficient tool to achieve compliant results given that ICPs are entered into the registry using the registry web interface. The spreadsheet is also used in the maintenance of existing ICPs. The level of compliance has improved slightly in the area of using the correct event date in the registry. There are not so many updates which go unnecessarily back to the year 1999, due to a default date being used.

Five non-compliances were identified and two recommendations, none of them have resulted in material reconciliation issues.

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

## AUDIT SUMMARY

### NON-COMPLIANCES

| Subject | Section | Clause | Non-Compliance | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|---|---|---|---|---|---|---|---|
| Requirements to correct errors | 2.2 | 11(2) of Part 11 | Incorrect data is proactively corrected but there are some outstanding issues identified in the last audit | Weak | Low | 3 | |
| Timeliness of provision of Initial Electrical Connection Date | 3.5 | 7(2A) of Schedule 11.1 | Initial Electrical Connection Date was populated for 3 ICPs later than 10 business days | Moderate | Low | 2 | |
| Change to registry information | 4.1 | 8 of Schedule 11.1 | A number of updates to registry information are later than 3 business days. The most backdated transactions are related to decommissioned ICPs | Moderate | Low | 2 | |
| ICP location address | 4.4 | 2 of Schedule 11.1 | 808 ICPs, which addresses do not allow the ICP to be readily located and 948 ICPs with duplicate addresses, which also make them difficult to locate | Weak | Low | 3 | |
| Distributor to provide ICP information to the registry manager | 4.6 | 7(1) of Schedule 11.1 | | Moderate | Low | 2 | |
| Future Risk Rating | | | | | | 13 | |

| Future risk rating | 1-2 | 3-6 | 7-9 | 10-19 | 20-24 | 25+ |
|---|---|---|---|---|---|---|
| Indicative audit frequency | 36 months | 24 months | 18 months | 12 months | 6 months | 3 months |

## RECOMMENDATIONS

| Subject | Section | Recommendation | Description |
|---|---|---|---|
| Connection of ICP that is not NSP | 3.7 | Create a separate mail folder to store emails from traders accepting of ICPs | |
| Management of "decommissioned" status | 4.11 | Create separate mail folders to store requests from traders asking for ICP's to be decommissioned | |

## ISSUES

| Subject | Section | Issue | Description |
|---|---|---|---|
| | | Nil | |

# 1. ADMINISTRATIVE

## 1.1. Exemptions from Obligations to Comply with Code (Section 11)

### Code reference

*Section 11 of Electricity Industry Act 2010.*

### Code related audit information

*Section 11 of the Electricity Industry Act provides for the Electricity Authority to exempt any participant from compliance with all or any of the clauses.*

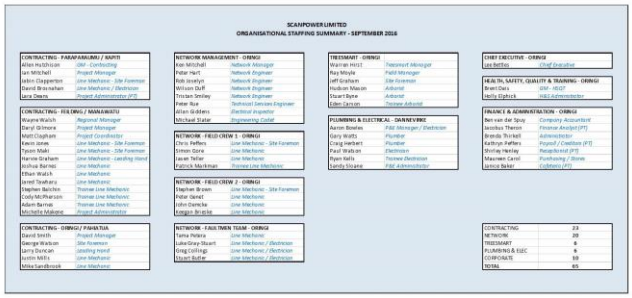
### Audit observation

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

### Audit commentary

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

## 1.2. Structure of Organisation




## 1.3. Persons involved in this audit

| Name | Title | Company | Comment |
|---|---|---|---|
| Tristan Smiley | Network Engineer | Scanpower Ltd | |
| Ken Mitchell | Network Manager | Scanpower Ltd | |
| Ewa Glowacka | Electricity Authority Approved Auditor | TEG & Associates Ltd | |

## 1.4. Use of contractors (Clause 11.2A)

### Code reference

*Clause 11.2A*

### Code related audit information

*A participant who uses a contractor*

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

**Audit observation**

There are no contractors who assist with the Scanpower operations that were audited.

**Audit commentary**

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

## 1.5. Supplier list

There are no suppliers who assist with the Scanpower operations that were audited.

## 1.6. Hardware and Software

Scanpower uses a Microsoft Excel spreadsheet to manage its ICPs.

## 1.7. Breaches or Breach Allegations

Scanpower has stated it has no breaches or alleged breached of Electricity Industry Participation Code related to this audit.

## 1.8. ICP and NSP Data

| Distributor | NSP POC | Description | Parent POC | Parent Network | Balancing Area | Network type | Start date | No of ICPs |
|---|---|---|---|---|---|---|---|---|
| SCAN | DVK0111 | DANNEVIRKE | | | DANNEVKSCANG | G | 01/05/08 | 5,610 |
| SCAN | WVD0111 | WOODVILLE | | | WOODVLLSCANG | G | 01/5/08 | 1,486 |

Scanpower provided the LIS file dated 22 August 2017, the total number of ICPs was 7,980.

| Status | Number of ICPs (22/08/17) | Number of ICPs (2016) | Number of ICPs (2015) |
|---|---|---|---|
| New (999,0) | 5 | 6 | 4 |
| Ready (0,0) | 4 | 4 | 4 |
| Active (2,0) | 6,666 | 6,678 | 6,699 |
| Distributor (888,0) | 0 | 0 | 0 |
| Inactive – new connection in progress (1,12) | 4 | 1 | 2 |
| Inactive – electrically disconnected vacant property (1,4) | 399 | 390 | 381 |
| Inactive – electrically disconnected remotely by AMI meter (1,7) | 9 | 5 | 0 |

| | | | |
|---|---|---|---|
| Inactive – electrically disconnected at pole fuse (1,8) | 1 | 0 | 0 |
| Inactive – electrically disconnected due to meter disconnected (1,9) | 1 | 0 | 0 |
| Inactive – electrically disconnected at meter box fuse (1,10) | 0 | 0 | 0 |
| Inactive – electrically disconnected at meter box switch (1,11) | 0 | 0 | 0 |
| Inactive – electrically disconnected ready for decommissioning (1,6) | 7 | 16 | 82 |
| Inactive – reconciled elsewhere (1,5) | 0 | 0 | 0 |
| Decommissioned (3) | 884 | 852 | 758 |

## 1.9. Authorisation Received

Scanpower provided a letter of authorisation to the auditors permitting the collection of data from other parties for matters directly related to the audit.

## 1.10. Scope of Audit

This audit was performed at the request of Scanpower, as required by clause 11.10 of Schedule 11, to assure compliance with the Electricity Industry Participation Code 2010. The audit covers the following processes, under clause 11.10(4) of Part 11, performed by Scanpower:

- (a) -The creation of ICP identifiers for ICPs
- (b) -The provision of ICP information to the registry and the maintenance of that information
- (c) - The creation and maintenance of loss factors

The audit was carried out on the Scanpower premises at Oringi Rd in Woodville, on the 28/29 September 2017.

## 1.11. Summary of previous audit

The previous audit was carried out on the 22 September 2016 by Ewa Glowacka (TEG & Associates Ltd). The findings of the audit are shown below:

| Subject | Clause | Non-compliance | Cleared |
|---|---|---|---|
| Provision of ICP information | 11.7(1)(p) of Schedule 11.1 | Lack of Initial Energisation Date for 2 ICPs livened after 29/08/2013 | Cleared |
| Distributors to change ICP information provided to registry | 8(2)(b) of Schedule 11.1 | Backdated updates to registry information | On-going |
| Address | 2 of Part 11.1 & | 1,068 ICPs addresses do not allow them to be readily located | On-going |

| Subject | Clause | Recommendation for improvement | Cleared |
|---|---|---|---|
| Registry updates | 2 of Part 11 | More attention when entering dates in the registry. Each date field in the registry has a different outcome | On-going |

## 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**

Scanpower is committed to having complete and accurate data in the registry. As always there is still room for improvement. In January, this year the person who used to look after the registry retired. A new person made some modifications to the Customer 1.xlx which should assist in having complete and accurate information in the registry. New fields added are, type of DG, capacity, installation date, IECD date for new connections, date for decommissioning, ICP status in the registry.

**Audit commentary**

New additions to Customer 1.xls (master data of all ICPs) will help to populate correct data in the registry as all the information will be in one place and there won't be a need to frequently refer to paper records.

**Audit outcome**

Compliant

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

**Code reference**

*Clause 11.2(2) and 10.6(2)*

**Code related audit information**

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

**Audit observation**

Scanpower corrects information when it is made aware that it is incorrect. There are still some corrections to be made since the last audit, such addresses and incorrect Initial Electrical Connection Date. We would like Scanpower to proactively validate data previously populated in the registry and correct found errors.

**Audit commentary**

As far as we observed during the audit there was no structured process in place to proactively identify incorrect historical data.

**Audit outcome**

Non-compliant

| Non-compliance | Description |
|---|---|
| Audit Ref: 2.2<br>With:<br><br>From: 16-Aug-16<br>To: 15-Aug-17 | Incorrect data is proactively corrected but there are some outstanding issues identified in the last audit<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Weak<br>Breach risk rating: 3 |
| **Audit risk rating** | **Rationale for audit risk rating** |
| **Low** | The controls we assessed as weak, there is a need to validate historic data. Audit risk rating is assessed as low. No impact on settlement outcomes. |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|---|---|---|
| Develop a process to actively monitor and validate data in the registry. | March 2018 | Identified |
| **Preventative actions taken to ensure no further issues will occur** | **Completion date** | |
| Adopt the above process. | On-going | |

## 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**

Scanpower uses a spreadsheet called Customer 1.xls to create ICPs for new connections on its network. During the last 12 months 28 new ICPs were issued.

The request for a new ICP comes from an electrician or a customer. Scanpower's Network Connection Application Form is filled in with all the details. A customer can phone in with details or send an email. Once the application is received Scanpower uses the GIS system to check if transformer capacity is available. If no additional work is required, the ICP is issued straight away. The new ICP identifier is based on a sequential number of meter walks.

In a situation where line-work or cabling work is required, a job is priced and a customer is notified about the cost. Once it is accepted by a customer, a deposit must be paid. The new ICP identifier is created.

After a customer receives the ICP for a new connection, he/she is asked to contact the chosen trader. Later, Scanpower receives a service request (SR) from a trader to hang meters and electrically connect the installation to the network.

**Audit commentary**

An ICPs identifier is created the same or following day. If additional work is required, an ICP identifier is created once a customer pays the deposit.

**Audit outcome**

Compliant

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

**Code reference**

*Clause 11.5(3)*

**Code related audit information**

*The distributor, within 3 business days of receiving a request for the creation of an ICP identifier for an ICP, must either create a new ICP identifier or advise the participant of the reasons it is unable to comply with the request.*

**Audit observation**

All ICPs are requested by a customer or his/her representative via email or phoning in.

**Audit commentary**

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

**Audit outcome**

Not applicable

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

**Code reference**

*Clause 11.7*

**Code related audit information**

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

**Audit observation**

Once an ICP is created on the Customer 1 spreadsheet it is entered manually to the registry using the registry web interface. At the time of creating a new ICP all information excluding a proposed trader is entered therefore the registry assigns the status “new” to the loaded ICP.

Scanpower provided the LIS file dated 22 August 2017 to assist with the assessment of compliance.

**Audit commentary**

We checked all newly created ICPs and we confirm that all information provided to the registry was correct.

**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

There were 18 new connections on the Scanpower network since the last audit. All new connections are listed below:

| ICP | ICP Creation Date | Electrically connected |
|---|---|---|
| 0000700230CA22B | 20/09/2016 | 20/09/2016 |
| 0004401910CA38F | 28/10/2016 | 09/11/2016 |
| 0004401650CAE25 | 14/10/2016 | 14/10/2016 |
| 0000203750CA7ED | 07/02/2017 | 17/11/2017 |
| 0001409010CA3D4 | 28/10/2016 | 28/10/2016 |
| 0004505420CA393 | 16/12/2016 | 16/12/2016 |
| 0000701865CACC6 | 16/01/2017 | 16/01/2017 |
| 0004201060CAEBC | 03/03/2017 | 03/03/2017 |
| 0005110220CA552 | 16/02/2017 | 16/02/2017 |
| 0001409030CAE81 | 07/03/2017 | 07/03/2017 |
| 0001409020CA42C | 06/03/2017 | 06/03/2017 |
| 0004902810CAEC9 | 03/07/2017 | 03/07/2017 |
| 0004104510CA570 | 07/06/2017 | 07/06/2017 |
| 0002503490CAB78 | 06/06/2017 | 06/06/2017 |
| 0000907010CAB0F | 29/06/2017 | 29/06/2017 |
| 0005700429CA483 | 03/08/2017 | 03/08/2017 |
| 0000205715CADC7 | 25/07/2017 | 25/07/2017 |
| 0003400810CA20B | 17/08/2017 | 17/08/2017 |

### Audit commentary

An examination of all new connections confirmed that ICPs were entered into the registry prior to electricity being traded at the ICP.

### Audit outcome

Compliant

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

### Code reference

*Clause 7(2A) of Schedule 11.1*

### Code related audit information

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

### Audit observation

Scanpower hangs meters and electrically connects installations (cat 1,2 an 3LV) on behalf of traders. They work under VircomEMS ATH.

Scanpower provided the EDA file for the period 16/8/16 to 15/8/17. We examined all 18 new connections to check if the Initial Electrical Connection Date was entered no later than 10 business days after the date on which the ICP was initially electrically connected. The results are shown in the table below:

| ICP | Electrically connected | Registry updated | Comment |
|---|---|---|---|
| 0000700230CA22B | 20/09/2016 | 26/09/2016 | |
| 0004401910CA38F | 09/11/2016 | 28/10/2016 | Traders entered incorrect date |
| 0004401650CAE25 | 14/10/2016 | 09/05/2017 | Late registry entry |
| 0000203750CA7ED | 17/11/2016 | 09/05/2017 | Incorrect date and late registry entry |
| 0001409010CA3D4 | 28/10/2016 | 28/10/2016 | |
| 0004505420CA393 | 16/12/2016 | 09/05/2017 | Late registry entry |
| 0000701865CACC6 | 16/01/2017 | 16/01/2017 | |
| 0004201060CAEBC | 03/03/2017 | 03/03/2017 | |
| 0005110220CA552 | 16/02/2017 | 16/02/2017 | |
| 0001409030CAE81 | 07/03/2017 | 07/03/2017 | |
| 0001409020CA42C | 06/03/2017 | 06/03/2017 | |
| 0004902810CAEC9 | 03/07/2017 | 04/07/2017 | |
| 0004104510CA570 | 07/06/2017 | 07/06/2017 | |
| 0002503490CAB78 | 06/06/2017 | 06/06/2017 | |
| 0000907010CAB0F | 29/06/2017 | 30/06/2017 | |
| 0005700429CA483 | 03/08/2017 | 03/08/2017 | |
| 0000205715CADC7 | 25/07/2017 | 25/07/2017 | |
| 0003400810CA20B | 17/08/2017 | 18/07/2017 | |

### Audit commentary

We identified 3 ICPs for which the Initial Electrical Connection Date was entered into the registry later than 10 business days.

Additionally, for 4 ICPs we observed discrepancies between the date of meter installed and the date populated by the network. They are shown below:

| ICP | IECD | Meter | Trader<br>Active |
|---|---|---|---|
| 0004401910CA38F | 28/10/2016 | 27/10/2017 | 09/11/2016 |
| 0000203750CA7ED | 07/02/2017 | 17/11/2016 | 17/11/2016 |
| 0001409030CAE81 | 07/03/2017 | 09/03/2017 | 07/03/2017 |
| 0000205715CADC7 | 25/07/2017 | 27/07/2017 | 25/07/2017 |

### Audit outcome

Non-compliant

| Non-compliance | Description |
|---|---|
| Audit Ref: 3.5<br>With: 7(2A) of Schedule 11.1<br><br>From: 16-Aug-16<br>To: 15-Aug-17 | Initial Electrical Connection Date was populated for 3 ICPs later than 10 business days<br>Potential impact: Low<br>Actual impact: Low<br>Audit history:<br>Controls: Moderate<br>Breach risk rating: |
| **Audit risk rating** | **Rationale for audit risk rating** |
| **Low** | We have recorded the controls as moderate. The date is entered manually using the registry web interface. Scanpower livens installations on behalf of traders so it should be a seamless process but for some ICPs this did not work. The impact on participants is none, therefore audit risk rating is low. |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|---|---|---|
| Create a process for completing New Connection paperwork and updating the IECD in the registry. Scanpower's database now has provision for IECD. | March 2018 | Identified |
| **Preventative actions taken to ensure no further issues will occur** | **Completion date** | |
| Adhere to the above process to ensure the IECD field is populated in a timely manner. | On-going | |

## 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

A customer is asked to talk to their chosen trader. Scanpower notifies a trader that a new ICP was created and ask them to confirm acceptance of an ICP via email. Once acceptance is received, a proposed trader in entered into the registry.

### Audit commentary

We followed though all new connections in the registry and confirm that no ICPs were connected without a trader recorded in the registry as accepting responsibility for the ICP.

### Audit outcome

Compliant

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

### Code reference

*Clause 10.31*

### Code related audit information

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

### Audit observation

According to the process described previously, Scanpower receives a written confirmation of acceptance for any new ICP. The next step is a request to electrically connect in the form of SR. We sampled 10 ICPs (new connections) to assess compliance. The table is shown below:

| ICP | ICP creation | Trader acceptance | Trader (1,12) | Electrically connected |
|---|---|---|---|---|
| 0005800510CAA54 | 18/04/2017 | 23/08/2017 | | 28/08/2017 |
| 0000604305CA374 | 14/07/2017 | 14/08/2017 | 15/08/2017 | 25/08/2017 |
| 0000205715CADC7 | 14/07/2017 | 25/07/2017 | | 25/05/2017 |
| 0005700429CA483 | 14/07/2017 | 03/08/2017 | | 03/08/2017 |
| 0000907010CAB0F | 09/06/2017 | 29/06/2017 | 29/06/2017 | 29/06/2017 |
| 0004902810CAEC9 | 24/05/2017 | 23/06/2017 | 26/06/2017 | 03/07/2017 |
| 0003400810CA20B | 11/08/2017 | 15/08/2017 | 15/08/2017 | 17/08/2017 |
| 0002503490CAB78 | 31/05/2017 | 01/06/2017 | 02/06/2017 | 06/06/2017 |
| 0003904610CA422 | 12/05/2017 | 27/07/2017 | | 27/07/2017 |
| 0000701865CACC6 | 22/11/2016 | 25/11/2016 | | 16/01/2017 |

### Audit commentary

This clause and the clause above are linked. Scanpower showed us emails in which the traders had accepted responsibility. It was not easy to find them because of the way in which emails from traders are stored in Outlook. Our recommendation is to create a separate mail folder to store traders' acceptance of ICPs.

### Audit outcome

Compliant

| Recommendation | Description | Audited party comment | Remedial action |
|---|---|---|---|
| Create a separate mail folder to store emails from traders accepting of ICPs | For auditing purposes, it was difficult to trace emails from traders accepting ICPs | Separate folder has been created in Outlook for Trader emails of acceptance of ICP's | |

## 3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A)

### Code reference

*Clause 10.31A*

### Code related audit information

*A distributor may only temporarily electrically connect an ICP that is not an NSP if requested by an MEP for a purpose set out in clause 10.31A (2), and the MEP:*

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

**Audit observation**

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

**Audit commentary**

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

**Audit outcome**

Compliant

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

**Code reference**

*Clause 10.30*

**Code related audit information**

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

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

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

**Audit observation**

Scanpower does not have any NSP on its network that is not a point of connection to the grid.

**Audit commentary**

Compliance was not assessed because Scanpower does not have such NSPs.

**Audit outcome**

Not applicable

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

**Code reference**

*Clause 10.30(A)*

**Code related audit information**

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

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

**Audit observation**

Scanpower does not have any NSP on its network that is not a point of connection to the grid.

**Audit commentary**

Compliance was not assessed because Scanpower does not have such NSPs.

**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**

Scanpower uses a unique distributor code, "CA", for all ICPs connected to its network. The ICP number is based on a sequential account number, historically based on meter walks. The ICP identifier always allows for the geographical location of a new connection which Scanpower finds helpful. The operator adds "CA", then a checksum using Checksum software provided by the Authority. Once it is finalized the ICP number is manually copied to the Customer1 spreadsheet and is then entered into the registry via web interface.

**Audit commentary**

We reviewed the process of ICP creation and reviewed the file. Compliance confirmed.

**Audit outcome**

Compliant

## 3.12. Loss category (Clause 6 Schedule 11.1)

**Code reference**

*Clause 6 Schedule 11.1*

**Code related audit information**

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

**Audit observation**

The LIS registry file was examined and we confirm compliance. It must be noted that the registry design prohibits the assigning of more than a single loss category code to an ICP.

**Audit commentary**

All ICPs recorded in the registry have a single loss category code except ICPs with the status "Decommissioned".

**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**

After an application for new supply is approved, an ICP identifier is created and entered into the registry.

**Audit commentary**

All new ICPs are entered into the registry without a proposed trader therefore the registry assigns the status of "new". We walked through all ICPs created this year and confirm compliance.

**Audit outcome**

Compliant

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

**Code reference**

*Clause 15 Schedule 11.1*

**Code related audit information**

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

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

**Audit observation**

We reviewed the LIS file dated 22 August 2017. We found one ICP 0000507290CA68C, which was created on the 21 August 2015, which never had a proposed trader entered.

**Audit commentary**

Scanpower closely follows ICPs with the status of "new" and "ready" for longer than 24 months. This has been an issue in the past but not anymore. By the time this report was finalised ICP 0000507290CA68C was decommissioned.

**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**

Scanpower does not have an embedded generation station that has a capacity of 10 MW or more on its network.

**Audit commentary**

Compliance was not assessed because Scanpower does not have an embedded generation station that has a capacity of 10 MW or more on its network.

**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**

We examined the EDA file for the period of 16/8/16 to 15/8/17 to assess compliance. The results are shown below:

| Activity | No of updates | No of updates later than 3BD | Date range of updates [BD] | Comment |
|---|---|---|---|---|
| Address | 120 | 14 (11.7%) | 8 to 4233 | 9 late updates were related to making ICPs readily locatable |
| Network | 1,494 | 43 (2.8%) | 8 to | Most of the late updates of network information were caused by correction issues identified by the last audit e.g. missing information of solar or missing IECD date. The Authority asked Scanpower to populate IECD date for 8 ICPs. |
| Pricing | 48 | 8 (16.6%) | 8 to 223 | Most of the late updates are to change BTS to permanent connection; some of them are corrections of mistakes |
| Status (0) | 14 | 1 | 16 | Late notification of trader ICP's acceptance (0003907270CA533) |
| Status (999) | 22 | 1 | | ICP was decommissioned |
| Status (3) | 32 | 24 (75%) | | Scanpower preference is to comply with clause 11.2 |

Scanpower has two NSPs which are not interconnected therefore ICPs can't be moved between them. Clause 8(4) of Schedule 11.1 is not applicable to Scanpower.

**Audit commentary**

Overall the level of compliance with this clause is similar as last year. Many late updates were related to issues identified in the last audit. This year less issues were identified therefore the expectation is that less corrections will be required, which will in turn mean less late updates.

### Audit outcome

Non-compliant

| Non-compliance | Description |
|---|---|
| Audit Ref: 4.1<br>With: 8 of Schedule 11.1<br><br>From: 16-Aug-16<br>To: 15-Aug-17 | A number of updates to registry information are later than 3 business days. The most backdated transactions are related to decommissioned ICPs<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Multiple times<br>Controls: Moderate<br>Breach risk rating: 2 |
| **Audit risk rating** | **Rationale for audit risk rating** |
| **Low** | We have recorded the controls as moderate. Many late updates were caused by corrections of issues identified in the last audit. This year the new person who is responsible for the creation of ICPs and the registry update, recently took part in the registry course. We believe it will have a positive impact on the level of compliance. The impact on participants is none, therefore audit risk rating is low. |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|---|---|---|
| Process to be developed for updating the registry as and when information updates are made available. | March 2018 | Identified |
| **Preventative actions taken to ensure no further issues will occur** | **Completion date** | |
| Follow the above process to update the registry in a timely manner. | On-going | |

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

### Code reference

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

### Code related audit information

*Under Clause 7(1)(b) of Schedule 11.1, the distributor must provide to the registry manager the NSP identifier of the NSP to which the ICP is usually connected.*

*If the distributor cannot identify the NSP that an ICP is connected to, the distributor must nominate the NSP that the distributor thinks is most likely to be connected to the ICP, taking into account the flow of electricity within its network, and the ICP is deemed to be connected to the nominated NSP.*

**Audit observation**

Scanpower have only two NSPs on its network. The configuration of the network does not allow them to "shift" ICPs between NSPs. It is very clear, at the time of ICP creation, to which NSP the ICP will be connected.

**Audit commentary**

Scanpower has only two NSPs so there is no issue when assigning an NSP at the time of ICP creation.

**Audit outcome**

Compliant

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

**Code reference**

*Clause 11.31*

**Code related audit information**

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

**Audit observation**

Any request from a customer for advice on an ICP for an existing connection is answered immediately, while the customer is on the phone.

**Audit commentary**

Calls from customers do not happen often but Scanpower receives many phone calls from traders or electricians asking them to confirm an ICP or asking for additional information.

**Audit outcome**

Compliant

## 4.4. ICP location address (Clause 2 Schedule 11.1)

**Code reference**

*Clause 2 Schedule 11.1*

**Code related audit information**

*Each ICP identifier must have a location address that allows the ICP to be readily located.*

**Audit observation**

We reviewed the LIS file to assess compliance. We identified 808 ICPs, whose addresses do not allow the ICP to be readily located and 948 ICPs with duplicate addresses, which also makes them difficult to locate.

**Audit commentary**

A lot of work has been done in the past to provide a meaningful description of addresses, which was not an easy task because part of the Scanpower network is rural. In last 12 months, achieving a compliance

with this clause got definitely less attention from the company therefore number of ICPs has not decreased.

**Audit outcome**

Non-compliant

| Non-compliance | Description |
|---|---|
| Audit Ref: 4.4<br>With: 2 of Schedule 11.1<br><br>From: 16-Aug-16<br>To: 15-Aug-17 | 808 ICPs, which address does not allow the ICP to be readily located and 948 ICPs have duplicate addresses, which also makes them difficult to locate<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Multiple times<br>Controls: Weak<br>Breach risk rating: 3 |
| **Audit risk rating** | **Rationale for audit risk rating** |
| **Low** | The controls we recorded as weak. Addresses for new connections have a good description but old ICPs which addresses require correction have been not "touched" in last 12 months. At the time of the creation of a new ICP the address is well described. The impact on other participants is none; the audit risk rating is low. |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|---|---|---|
| Develop a process to update historical data in the registry to ensure address and location information is up to date. | March 2018 | Identified |
| **Preventative actions taken to ensure no further issues will occur** | **Completion date** | |
| Adopt the above process to ensure information is regularly updated. | On-going | |

## 4.5. Electrically disconnecting an ICP (Clause 3 Schedule 11.1)

**Code reference**

*Clause 3 Schedule 11.1*

**Code related audit information**

*Each ICP created after 7 October 2002 must be able to be electrically disconnected without electrically disconnecting another ICP, except for ICPs that are the point of connection between a network and an embedded network, or ICPs that represent the consumption calculated by the difference between the total consumption for the embedded network and all other ICPs on the embedded network.*

**Audit observation**

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

**Audit commentary**

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

**Audit outcome**

Compliant

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

**Code reference**

*Clause 7(1) Schedule 11.1*

**Code related audit information**

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

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

**Audit observation**

The LIS and Metering Information files (PR-255) dated 22 August 2017 was examined to assess compliance.

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

- ICP0003605100CAE57 – no UML details in the "Unmetered Load Details – distributor" in the registry. It is a Telecom transmitter bldg. in Saddle Rd, Genesis is the trader, daily usage 5.5 kWh/day. We identified the possibility of incorrect information entered by Meridian:

  0002304640CA93A- 6 kWh/day since 2006. There is no house only a shed - talk to Meridian

  0000608445CA553 – marked as BTS using 240W/day since 2007. Google Earth shows a house – talk to Meridian

- Initial Electrical Connection Date information appears incorrect. For some of them it is the date when solar panels were installed, for some of them the date is prior to the new Part 10 implementation, records need to be checked.

| ICP | ICP creation date | Initial Electrical Connection Date | Comment |
|---|---|---|---|
| 0002306000CAED9 | 02/04/1999 | 02/09/2016 | Solar installation |
| 0003401520CA15B | 27/03/2012 | 18/04/2012 | Before Part 10, check records |
| 0004503230CAAF8 | 17/10/2012 | 04/12/2012 | Before Part 10, check records |
| 0005701450CAE2F | 14/03/2011 | 04/04/2011 | Before Part 10, check records |
| 0006206250CAA51 | 02/04/1999 | 24/09/2016 | Solar installation |
| 0006605100CAA05 | 02/04/1999 | 12/10/2016 | Solar installation |
| 0006605510CACA9 | 02/04/1999 | 16/10/2013 | Before Part 10, check records |
| 0006901300CA8F8 | 02/04/1999 | 02/09/2016 | Solar installation |
| 0006901400CA7FA | 02/04/1999 | 23/09/2016 | Solar installation |
| 0007605355CA3FC | 25/02/2003 | 23/06/2014 | Electric fence |

- We ran an additional query during this audit "Different ICPs on the same street". We identified two ICPs assigned to an incorrect NSP. ICPs are 0005403610CA979 and 0004105150CAA74.

### Audit commentary

Overall the quality of information provided to the registry is good. There is still some historic information which requires correction but for new ICPs the information is correct.

### Audit outcome

Non-compliant

| Non-compliance | Description |
|---|---|
| Audit Ref: 4.6<br>With: 7(1) of Schedule 11.1<br><br>From: 16-Aug-16<br>To: 15-Aug-17 | Information is missing or incomplete for a small number of ICPs<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Multiple times<br>Controls: Moderate<br>Breach risk rating: |
| **Audit risk rating** | **Rationale for audit risk rating** |
| **Low** | Information is missing or incomplete for a relatively small number of ICPs. We have recorded the controls as moderate because the company is proactively working to address it but it takes time. No impact on customers and traders therefore audit risk rating is low |

| Actions taken to resolve the issue | Completion date | Remedial action status |
|---|---|---|
| Develop a process to identify and update missing information in the registry. | March 2018 | Identified |
| **Preventative actions taken to ensure no further issues will occur** | **Completion date** | |
| Action the above process. | On-going | |

## 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

As a part of the new connections process, Scanpower assigns the actual price category code and the actual changeable capacity of the ICP at the time an ICP is created.

### Audit commentary

The actual price category code is assigned based on capacity information given by a customer. It is simple for a standard residential connection and more complex for customers with higher capacity. It is discussed with a customer before an ICP is created. There are 27 ICPs for which chargeable capacity is populated in the registry.

**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**

Scanpower did not populate GPS coordinates in the registry. This is not a mandatory field as per the Registry Specification version 22.21.

**Audit commentary**

GPS coordinates are not populated in the registry. Compliance was not assessed.

**Audit outcome**

Not applicable

## 4.9. Management of "ready" status (Clause 14 Schedule 11.1)

**Code reference**

*Clause 14 Schedule 11.1*

**Code related audit information**

*The ICP status of "Ready" must be managed by the distributor and indicates that:*

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

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

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

**Audit observation**

A new process adopted by Scanpower is that a new ICP is entered to the registry without a proposed trader therefore the registry assigns the status "new". Once a traders' acceptance is received(email), Scanpower enters the proposed trader. The registry assigns the status "ready". We sampled 10 new connections

| ICP | ICP creation | Trader acceptance received | Registry status "ready" |
|---|---|---|---|
| 0005800510CAA54 | 18/04/2017 | 23/08/2017 | 23/08/2017 |
| 0000604305CA374 | 14/07/2017 | 14/08/2017 | 14/08/2017 |
| 0000205715CADC7 | 14/07/2017 | 25/07/2017 | 25/07/2017 |
| 0005700429CA483 | 14/07/2017 | 03/08/2017 | 03/08/2017 |
| 0000907010CAB0F | 09/06/2017 | 29/06/2017 | 29/06/2017 |
| 0004902810CAEC9 | 24/05/2017 | 23/06/2017 | 23/06/2017 |
| 0003400810CA20B | 11/08/2017 | 15/08/2017 | 15/08/2017 |
| 0002503490CAB78 | 31/05/2017 | 01/06/2017 | 01/06/2017 |
| 0003904610CA422 | 12/05/2017 | 27/07/2017 | 28/07/2017 |
| 0000701865CACC6 | 22/11/2016 | 25/11/2016 | 29/11/2016 |

At the time of ICP creation a price category is assigned.

**Audit commentary**

The new process works well for new connections. The status "ready" is managed in a compliant manner.

**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**

Scanpower does not have any ICP with the status of "distributor", which represents a shared unmetered load installation or the point of connection between an embedded network and its parent network.

**Audit commentary**

Scanpower does not have plans to have shared unmetered load or embedded networks on its network.

**Audit outcome**

Compliant

## 4.11. Management of "decommissioned" status (Clause 20 Schedule 11.1)

### Code reference

*Clause 20 Schedule 11.1*

### Code related audit information

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

*Decommissioning only occurs when:*

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

### Audit observation

There is no particular process for decommissioning ICPs. Usually it is triggered by a trader sending a SR asking for the removal of equipment or a request from a customer. Before the ICP status is changed to "decommissioned", a contractor goes on site and physically disconnects the installation. When the ICP status in the registry is changed to "inactive-ready for decommissioning" by a trader, Scanpower changes its status to "decommissioned". Meters are removed at the time of decommissioning and if they can be re-used they are sent to the MEP recorded in the registry.

### Audit commentary

It was noted in the last audit that when an installation is dismantled, a trader is notified, paperwork is filed at the Scanpower office but the registry is not updated. It appears that this is still the case. It means that once Scanpower decides to decommission an ICP in the registry it is usually later than 3 business days. We sampled randomly chosen ICPs, whose status was changed to "decommissioned" in the last 12 months. The results are shown below:

| ICP | SR | Site visit | Trader change status to 1,6 | Registry updated by SCAN | Notes |
|---|---|---|---|---|---|
| 0003607800CA41E | 07/03/17 | 13/03/17 | 02/05/17 | 24/05/17 | |
| 0007701900CAE5D | 08/03/17 | 10/03/17 | 11/05/17 | 24/05/17 | registry update triggered by email from MERI |
| 0001104200CA48D | | 12/03/10 | 03/05/17 | 03/05/17 | registry update triggered by email from MERI |
| 0001104260CAB7D | 14/03/17 | 15/03/17 | 15/03/17 | 26/07/17 | |
| 0000106850CA376 | 05/07/17 | 05/07/17 | 21/07/17 | 26/07/17 | |
| 0000801010CAAA3 | 11/05/17 | 05/07/17 | 20/07/17 | 26/07/17 | |
| 0005800620CAEAF | 27/04/17 | 28/04/17 | 01/05/17 | 22/06/17 | |
| 0002401440CA116 | 15/09/16 | 15/09/16 | 15/09/16 | 15/03/17 | |
| 0001307020CA9E7 | 03/10/11 | 03/10/11 | 11/10/11 | 15/03/17 | clean-up |
| 0001307030CA34A | 03/10/11 | 03/10/11 | 11/10/11 | 15/03/17 | clean-up |

It is clear that Scanpower is really slow to update the registry. We are not talking about big numbers of ICPs because it is a small network. Scanpower's interaction with the registry is via the registry interface. The company does not monitor notification files, which means they are not aware of an ICPs status update to change it to "ready for decommissioning".

During sampling it was evident that it was not an easy task to trace the date of decommissioning because Scanpower still uses a paper based system to store ICP records in a so called "envelope". The information is recorded but it is time consuming and paper records are the only records held by the company. No records are scanned yet.

Also the way in which emails from traders are managed does not make it easy to locate them for auditing purposes.

Our recommendation is to create separate folders in Outlook to store requests from traders such as requests for decommissioning ICP's. At the moment all emails are kept in the same folder.

**Audit outcome**

Compliant

| Recommendation | Description | Audited party comment | Remedial action |
|---|---|---|---|
| Create separate mail folders to store request from traders asking for ICP's decommissioning | For auditing purposes, it was difficult to trace requests from traders related to decommissioning ICPs | New folder has been created in Outlook to store Decommission requests | |

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

**Code reference**

*Clause 23 Schedule 11.1*

**Code related audit information**

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

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

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

**Audit observation**

The Price Category Codes table in the registry was examined. A new price category code was added as from October 2014.

**Audit commentary**

No new price category codes added since the last audit.

**Audit outcome**

Compliant

## 5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

**Code reference**

*Clause 21 Schedule 11.1*

**Code related audit information**

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

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

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

**Audit observation**

We examined the Loss Factor Codes table in the registry. There were no new entries since 1999.

**Audit commentary**

Scanpower has 3 Loss Factor Codes in the registry, no new entries were added.

**Audit outcome**

Compliant

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

**Code reference**

*Clause 22 Schedule 11.1*

**Code related audit information**

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

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

**Audit observation**

We examined the Loss Factor Codes table in the registry. Loss factors have a single value for a whole year, which cover a range of trading periods. There are no separate loss factors for summer or winter.

**Audit commentary**

Scanpower has not changed loss factors for a number of years. The losses were re-calculated in the past but Scanpower considers that what is recorded in the registry is accurate.

**Audit outcome**

Compliant

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

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

**Code reference**

*Clause 11.8 and Clause 25 Schedule 11.1*

**Code related audit information**

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

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

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

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

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

**Audit observation**

We examined the NSP mapping table in the registry. Since the last audit Scanpower did not create a new, or decommission, an NSP.

**Audit commentary**

Based on examination of the NSP mapping table in the registry it was confirmed that no new NSP was created and no NSP was decommissioned since the last audit.

**Audit outcome**

Compliant

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

**Code reference**

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

**Code related audit information**

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

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

**Audit observation**

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

**Audit commentary**

This clause is not applicable because Scanpower has not created a new NSP since the last audit. Compliance was not assessed.

**Audit outcome**

Not applicable

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

**Code reference**

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

**Code related audit information**

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

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

**Audit observation**

Scanpower has not created any new NSP since the last audit.

**Audit commentary**

Scanpower has not created any new NSP. It is very unlikely that it ever will. Compliance was not assessed.

**Audit outcome**

Not applicable

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

**Code reference**

*Clause 26(4) Schedule 11.1*

**Code related audit information**

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

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

**Audit observation**

Scanpower has not established any embedded network since the last audit.

**Audit commentary**

Scanpower has not established any embedded network since the last audit and there are no plans to do it in the future. Compliance was not assessed.

**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 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**

Scanpower has two balancing areas DANNEVKSCANG and WOODVLLSCANG according to the NSP mapping table in the registry.

**Audit commentary**

Examination of the NSP mapping table in the registry showed that they were no changes to balancing areas in the last 12 months.

**Audit outcome**

Compliant

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

**Code reference**

*Clause 27 Schedule 11.1*

**Code related audit information**

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

**Audit observation**

Scanpower did not established any embedded network.

**Audit commentary**

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

**Audit outcome**

Compliant

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

**Code reference**

*Clause 1 to 4 Schedule 11.2*

**Code related audit information**

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

**Audit observation**

Scanpower has not transferred any ICPs.

**Audit commentary**

Scanpower has not transferred any ICPs. There are no such plans in the future. Compliance was not assessed.

**Audit outcome**

Not applicable

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

**Code reference**

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

**Code related audit information**

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

- *there are 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**

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

**Audit commentary**

This clause is not applicable to Scanpower because they do not have responsibility for an NSP that is not a point of connection to the grid. Compliance was not assessed.

**Audit outcome**

Not applicable

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

**Code reference**

*Clause 10.25(2)*

**Code related audit information**

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

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

**Audit observation**

Scanpower does not NSPs that are not connections to the grid for which they are responsible.

**Audit commentary**

This clause is not applicable to Scanpower because they do not have responsibility for an NSP that is not a point of connection to the grid. Compliance was not assessed.

**Audit outcome**

Not applicable

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

**Code reference**

*Clause 29 Schedule 11.1*

**Code related audit information**

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

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

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

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

**Audit observation**

In the last 12 months, Scanpower did not acquire all or part of a network.

**Audit commentary**

This clause is not applicable to Scanpower because the situation did not occur. Compliance was not assessed.

**Audit outcome**

Not applicable

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

**Code reference**

*Clause 10.22(1)(b)*

**Code related audit information**

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

**Audit observation**

Scanpower does not own any embedded network.

**Audit commentary**

This clause does not apply to Scanpower. Compliance was not assessed.

**Audit outcome**

Not applicable

### 6.12. Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)

**Code reference**

*Clauses 5 and 8 Schedule 11.2*

**Code related audit information**

*The distributor must give the Authority confirmation that it has received written consent to the proposed transfer from:*

- *the distributor whose network is associated with the NSP to which the ICP is recorded as being connected immediately before the notification (unless the notification relates to the creation of an embedded network) (Clause 5(a) of Schedule 11.2)*
- *every trader trading at an ICP being supplied from the NSP to which the notification relates (Clause 5(b) of Schedule 11.2).*

*The notification must include any information requested by the Authority (Clause 8 of Schedule 11.2).*

**Audit observation**

Scanpower did not create any embedded network since the last audit.

**Audit commentary**

This clause does not apply to Scanpower. Compliance was not assessed.

**Audit outcome**

Not applicable

### 6.13. Transfer of ICPs for embedded network (Clause 6 Schedule 11.2)

**Code reference**

*Clause 6 Schedule 11.2*

**Code related audit information**

*If the notification relates to an embedded network, it must relate to every ICP on the embedded network.*

### Audit observation

Scanpower did not transfer ICPs for embedded networks since the last audit.

### Audit commentary

This clause does not apply to Scanpower. Compliance was not assessed.

### Audit outcome

Not applicable

## 7. MAINTENANCE OF SHARED UNMETERED LOAD

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

**Code reference**

*Clause 11.14(2) and (4)*

**Code related audit information**

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

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

**Audit observation**

We examined the LIS file dated 22 August 2017. We identified no ICPs with the status of "distributor".

**Audit commentary**

There are no historic shared unmetered load ICPs. Scanpower does not allow new ICPs to have shared unmetered load.

**Audit outcome**

Compliant

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

**Code reference**

*Clause 11.14(5)*

**Code related audit information**

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

**Audit observation**

There are no shared unmetered load ICPs on the Scanpower network.

**Audit commentary**

This clause is not applicable because there is no shared unmetered load on the Scanpower network.

**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**

The technical loss factor has not been recalculated for more than 10 years. The loss factor was recorded in the registry in 1999. It was discussed with Scanpower and because there have been no significant changes to the network configuration, the company does not see a need for re-calculation.

Scanpower publishes their loss details on its website as shown below

| Code | Loss Factor | Description |
|---|---|---|
| LFCA001 | 1.0250 | 0008522500CAD52 |
| LFCA002 | 1.0728 | 0008504500CA15F |
| LFCA003 | 1.0810 | Applicable to all other installations |

**Audit commentary**

Scanpower believes that their loss factor is accurate. The company regularly monitors reconciliation losses and they are close to values published on their website.

**Audit outcome**

Compliant

## CONCLUSION

### PARTICIPANT RESPONSE

The audit process was well received and identified areas that require improvement. As I am new to this position it was good to receive feedback regarding improvements that I had already implemented. I had also completed registry training prior to auditing which proved invaluable.

Scanpower endeavours to implement structured processes to monitor and maintain registry information in a timely manner.