

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**



For

**UNISON NETWORKS LIMITED**

Prepared by: Rebecca Elliot, Veritek Limited

Date audit commenced: 15 December 2017

Date audit report completed: 1 March 2018

Audit report due date: 04-Mar-18

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## TABLE OF CONTENTS

|  |    |
|--|----|
| Executive summary .....  | 4  |
| Audit summary .....  | 5  |
| Non-compliances .....  | 5  |
| Recommendations .....  | 7  |
| Issues 7   |    |
| 1. Administrative .....  | 8  |
| 1.1. Exemptions from Obligations to Comply with Code (Section 11) .....                                      | 8  |
| 1.2. Structure of Organisation .....   | 8  |
| 1.3. Persons involved in this audit .....  | 9  |
| 1.4. Use of contractors (Clause 11.2A) .....   | 10 |
| 1.5. Supplier list .....   | 10 |
| 1.6. Hardware and Software .....   | 10 |
| 1.7. Breaches or Breach Allegations .....  | 10 |
| 1.8. ICP and NSP Data .....  | 11 |
| 1.9. Authorisation Received .....  | 12 |
| 1.10. Scope of Audit .....   | 13 |
| 1.11. Summary of previous audit .....  | 14 |
| 2. Operational Infrastructure .....  | 14 |
| 2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1)) .....             | 14 |
| 2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2)) .....  | 16 |
| 3. Creation of ICPs .....  | 18 |
| 3.1. Distributors must create ICPs (Clause 11.4) .....   | 18 |
| 3.2. Participants may request distributors to create ICPs (Clause 11.5(3)) .....                             | 18 |
| 3.3. Provision of ICP Information to the registry manager (Clause 11.7) .....                                | 19 |
| 3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule 11.1) ..... | 20 |
| 3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule 11.1) .....     | 22 |
| 3.6. Connection of ICP that is not an NSP (Clause 11.17) .....   | 24 |
| 3.7. Connection of ICP that is not an NSP (Clause 10.31) .....   | 26 |
| 3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A) .....                         | 26 |
| 3.9. Connection of NSP that is not point of connection to grid (Clause 10.30) .....                          | 27 |
| 3.10. Temporary electrical connection of NSP that is not point of connection to grid (Clause 10.30(A)) ..... | 27 |
| 3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1) .....   | 28 |
| 3.12. Loss category (Clause 6 Schedule 11.1) .....   | 28 |
| 3.13. Management of “new” status (Clause 13 Schedule 11.1) .....   | 29 |
| 3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1) .....                                 | 29 |
| 3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1) .....                                    | 30 |
| 4. Maintenance of registry information .....   | 32 |
| 4.1. Changes to registry information (Clause 8 Schedule 11.1) .....  | 32 |
| 4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1) .....                               | 37 |
| 4.3. Customer queries about ICP (Clause 11.31) .....   | 38 |

|                      |   |    |
|----------------------|---|----|
| 4.4.                 | ICP location address (Clause 2 Schedule 11.1) .....   | 39 |
| 4.5.                 | Electrically disconnecting an ICP (Clause 3 Schedule 11.1) .....  | 40 |
| 4.6.                 | Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1)<br>.....                            | 41 |
| 4.7.                 | Provision of information to registry after the trading of electricity at the ICP commences<br>(Clause 7(3) Schedule 11.1) ..... | 46 |
| 4.8.                 | GPS coordinates (Clause 7(8) and (9) Schedule 11.1) .....   | 46 |
| 4.9.                 | Management of “ready” status (Clause 14 Schedule 11.1) .....  | 47 |
| 4.10.                | Management of “distributor” status (Clause 16 Schedule 11.1) .....  | 47 |
| 4.11.                | Management of “decommissioned” status (Clause 20 Schedule 11.1) .....   | 48 |
| 4.12.                | Maintenance of price category codes (Clause 23 Schedule 11.1).....  | 51 |
| 5.                   | Creation and maintenance of loss factors .....  | 52 |
| 5.1.                 | Updating table of loss category codes (Clause 21 Schedule 11.1) .....   | 52 |
| 5.2.                 | Updating loss factors (Clause 22 Schedule 11.1) .....   | 52 |
| 6.                   | Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs)53                                     |    |
| 6.1.                 | Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1) .....  | 53 |
| 6.2.                 | Provision of NSP information (Clause 26(1) and (2) Schedule 11.1) .....   | 53 |
| 6.3.                 | Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1) .....   | 54 |
| 6.4.                 | Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)54  |    |
| 6.5.                 | Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1) .....  | 55 |
| 6.6.                 | Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1) .....   | 55 |
| 6.7.                 | Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2) .....  | 56 |
| 6.8.                 | Responsibility for metering information for NSP that is not a POC to the grid (Clause<br>10.25(1) and 10.25(3)) .....           | 56 |
| 6.9.                 | Responsibility for metering information when creating an NSP that is not a POC to the grid<br>(Clause 10.25(2)) .....           | 58 |
| 6.10.                | Obligations concerning change in network owner (Clause 29 Schedule 11.1) .....  | 58 |
| 6.11.                | Change of MEP for embedded network gate meter (Clause 10.22(1)(b)) .....  | 59 |
| 6.12.                | Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2) .....  | 59 |
| 6.13.                | Transfer of ICPs for embedded network (Clause 6 Schedule 11.2).....   | 60 |
| 7.                   | Maintenance of shared unmetered load .....  | 61 |
| 7.1.                 | Notification of shared unmetered load ICP list (Clause 11.14(2) and (4)) .....  | 61 |
| 7.2.                 | Changes to shared unmetered load (Clause 11.14(5)).....   | 62 |
| 8.                   | Calculation of loss factors .....   | 63 |
| 8.1.                 | Creation of loss factors (Clause 11.2).....   | 63 |
| Conclusion           | .....   | 64 |
| Participant response | .....   | 65 |

## EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Unison Networks (Unison)**, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11. The audit was carried out at the Unison's premises in Hastings, on January 30<sup>th</sup> and 31<sup>st</sup>, 2018.

The audit was conducted in accordance with the Guideline for Distributor Audits V7.1, which was produced by the Electricity Authority.

The audit found 13 non-compliances and makes three recommendations. Overall Unison has robust controls in place with good registry discrepancy processes in place. Two areas of opportunity were identified, and these relate to the management of ICPs at the "New", "Ready" and "inactive - ready for decommissioning" statuses and the management of unmetered load detail. Unison already have a project underway in relation to the decommissioning process and the management of unmetered load.

The next audit frequency table indicates that the next audit be due in six months. I have considered this result in conjunction with Unison's responses which clearly set out the actions to address the non-compliances raised and my recommendation is that the next audit be due in 12 months. This will allow enough time for the projects underway to effect change and little will be gained by conducting the audit any earlier.

I thank Roanna and team for their assistance in completing this audit.

The matters raised are shown in the tables below.

## AUDIT SUMMARY

### NON-COMPLIANCES

| Subject  | Section | Clause                 | Non Compliance   | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|--|---------|------------------------|--|----------|-------------------|--------------------|-----------------|
| Requirement to provide complete and accurate information           | 2.1     | 11.2(1)                | Not all practicable steps are taken to ensure that the information provided is complete and accurate.                                | Moderate | Low               | 2                  | Investigating   |
| Requirement to correct errors                                      | 2.2     | 11.2(2)                | Errors not corrected as soon as practicable.   | Moderate | Low               | 2                  | Identified      |
| Provision of ICP Information to the registry manager               | 3.3     | 11.7                   | 3 new ICPs electrically connected during the audit period with unmetered load details not recorded in accordance with schedule 11.1. | Moderate | Low               | 2                  | Identified      |
| Timeliness of Provision of ICP Information to the registry manager | 3.4     | 7(2) of Schedule 11.1  | Registry not updated prior to commencement of trading for 5 ICPs.  | Strong   | Low               | 1                  | Identified      |
| Timeliness of Provision of Initial Electrical Connection Date      | 3.5     | 7(2A) of Schedule 11.1 | Late population of the initial electrical connection date for 45 ICPs (4%).  | Moderate | Low               | 2                  | Identified      |
| Connection of ICP that is not an NSP                               | 3.6     | 11.17                  | Two ICPs were electrically connected before proposed trader information was provided to the registry.                                | Strong   | Low               | 1                  | Identified      |
| Monitoring of "new" & "ready" statuses                             | 3.14    | 15 Schedule 11.1       | ICPs greater than 24 months not monitored.   | Moderate | Low               | 2                  | Identified      |
| Changes to registry information                                    | 4.1     | 8 Schedule 11.1        | Some price, network, status, and address   | Weak     | Low               | 3                  | Investigating   |

| Subject   | Section | Clause                         | Non Compliance   | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|---|---------|--------------------------------|--|----------|-------------------|--------------------|-----------------|
|   |         |                                | changes were backdated.  |          |                   |                    |                 |
| Notice of NSP for each ICP  | 4.2     | 7(1),(4) and (5) Schedule 11.1 | One existing ICP with an incorrect NSP recorded.   | Strong   | Low               | 1                  | Investigating   |
| ICP location address  | 4.4     | 2 Schedule 11.1                | One ICP does not have a physical address unit number, street number, property name or GPS coordinates to allow it to be readily located. | Strong   | Low               | 1                  | Cleared         |
| Provide ICP Information to the Registry manager                               | 4.6     | 7(1)(m) & (p) Schedule 11.1    | Known unmetered load not recorded and three incorrect initial electrical connection dates.   | Moderate | Low               | 2                  | Identified      |
| Management of "decommissioned" status   | 4.11    | 20 Schedule 11.1               | Status mismatch between Gentrack and the Registry for four ICPs.   | Weak     | Low               | 3                  | Investigating   |
| Responsibility for metering information for NSP that is not a POC to the grid | 6.8     | 10.25(1)(b)                    | Site not certified between 17/4/17- 12/7/17  | Moderate | Low               | 2                  | Investigating   |
| Future Risk Rating  |         |                                |  |          |                   | 24                 |                 |

|                            |           |           |           |           |          |          |
|----------------------------|-----------|-----------|-----------|-----------|----------|----------|
| Future risk rating         | 0-1       | 2-5       | 6-8       | 9-20      | 21-29    | 30+      |
| Indicative audit frequency | 36 months | 24 months | 18 months | 12 months | 6 months | 3 months |

## RECOMMENDATIONS

| Subject   | Section | Recommendation  | Description   |
|---|---------|---|---------------|
| Notice of NSP for each ICP                      | 4.2     | Review analysis of ICP to NSP mapping to ensure no historic mis-mapped ICPs.  | Investigating |
| Provide ICP Information to the Registry manager | 4.6     | Adopt the recommended EA unmetered load format.   | Identified    |
| Notification of shared unmetered load ICP list  | 7.1     | Unison work with the relevant traders to resolve “private” lights- either council add them back into their database or shared unmetered load is created to account for this load. | Identified    |

## ISSUES

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

## 1. ADMINISTRATIVE

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

#### Code reference

*Section 11 of Electricity Industry Act 2010.*

#### Code related audit information

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

#### Audit observation

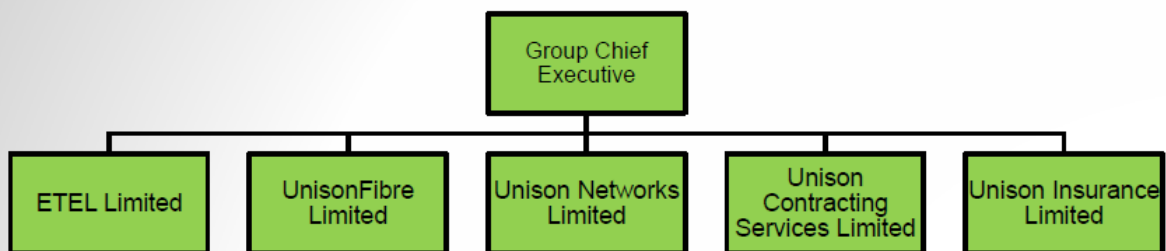
The Authority website was checked to determine whether there are code exemptions in place.

#### Audit commentary

Review of exemptions on the Authority website confirmed that there are no exemptions in place relevant to the scope of this audit.

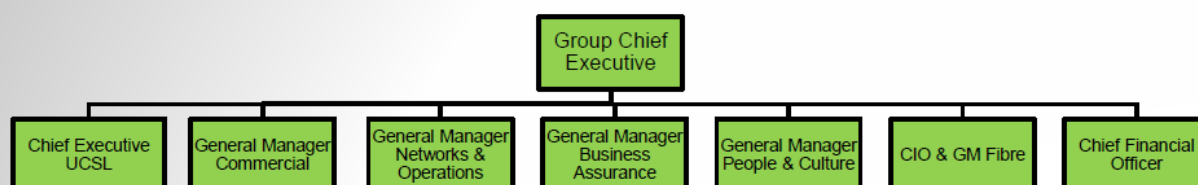
### 1.2. Structure of Organisation

## Unison Networks Limited Group Structure





## Unison Networks Limited Executive Structure



### 1.3. Persons involved in this audit

Auditor:

**Rebecca Elliot**

**Veritek Limited**

**Electricity Authority Approved Auditor**

Unison Networks personnel assisting in this audit were:

| Name            | Title                                    |
|-----------------|--|
| Clarissa Bevins | Customer Provisioning Specialist         |
| Corrina Graham  | Customer Delivery Administrator          |
| Jason Larkin    | Commercial Manager                       |
| Jan Newton      | Asset and Data Quality Specialist        |
| Raewyn Holloway | Customer Billing Specialist              |
| Roanna Vining   | Senior Regulatory Affairs Analyst        |
| Shane Watson    | Systems Specialist Financial and Billing |

#### 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 contractor's 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

All activities are completed directly by Unison.

#### 1.5. Supplier list

All activities are completed directly by Unison.

#### 1.6. Hardware and Software

Gentrack is used to create ICPs and interface with the registry. Unison's GIS is Small World, and ADMS is used for real time network monitoring.

Back ups are carried out to industry standards.

#### 1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there have been no alleged breaches related to this audit scope for Unison for the audit period.

## 1.8. ICP and NSP Data

Unison owns and operates the electricity networks in the Hawke's Bay, Taupo, and Rotorua regions.

The table below lists the relevant NSPs and their associated balancing area, and the number of active ICPs connected.

| Distributor | NSP POC | Description | Parent POC | Parent Network | Balancing Area | Network type | Start date | No of ICPs |
|-------------|---------|-------------|------------|----------------|----------------|--------------|------------|------------|
| HAWK        | ATI0112 | ATIAMURI    | ROT0111    | HAWK           | TAUPROTHAWKG   | I            | 1/05/2008  | -          |
| HAWK        | FHL0331 | FERNHILL    |            |                | MAGPIESHAWKG   | G            | 1/05/2008  | 15718      |
| HAWK        | OWH0111 | OWHATA      |            |                | TAUPROTHAWKG   | G            | 1/05/2008  | 5617       |
| HAWK        | RDF0331 | REDCLYFFE   |            |                | MAGPIESHAWKG   | G            | 1/05/2008  | 22053      |
| HAWK        | ROT0111 | ROTORUA     |            |                | TAUPROTHAWKG   | G            | 1/05/2008  | 10680      |
| HAWK        | ROT0331 | ROTORUA     |            |                | TAUPROTHAWKG   | G            | 1/05/2008  | 11866      |
| HAWK        | TRK0111 | TARUKENGA   |            |                | TAUPROTHAWKG   | G            | 1/05/2008  | 3199       |
| HAWK        | WRK0331 | WAIRAKEI    |            |                | TAUPROTHAWKG   | G            | 1/05/2008  | 16442      |
| HAWK        | WTU0331 | WHAKATU     |            |                | MAGPIESHAWKG   | G            | 1/05/2008  | 25043      |

Unison does not own any embedded networks but has two networks embedded on their network. A new NSP was created for HPL0011 on 01/12/2017, and no embedded networks were end dated during the audit period. The embedded networks are detailed in the table below and are discussed in the relevant sections of this report.

| Distributor | NSP POC | Description                          | Parent POC | Parent Network | Balancing Area | Network type | Start date |
|-------------|---------|--------------------------------------|------------|----------------|----------------|--------------|------------|
| SMRT        | HPL0011 | ST AUBYN<br>ST EAST<br>HASTINGS      | WTU0331    | HAWK           | HPL0011SMRTE   | E            | 1/12/2017  |
| TENC        | TWQ0011 | 14 WEST<br>QUAY<br>AHURIRI<br>NAPIER | RDF0331    | HAWK           | TWQ0011TENCE   | E            | 1/08/2016  |

A list file detailing the ICP statuses was provided as at 30/11/17:

| Status   | Number of ICPs<br>(29 Nov 2017) |
|--|---------------------------------|
| New (999,0)  | 1                               |
| Ready (0,0)  | 173                             |
| Active (2,0)   | 110618                          |
| Distributor (888,0)  | 2                               |
| Inactive – new connection in progress (1,12)                         | 138                             |
| Inactive – electrically disconnected vacant property (1,4)           | 1558                            |
| Inactive – electrically disconnected remotely by AMI meter (1,7)     | 224                             |
| Inactive – electrically disconnected at pole fuse (1,8)              | 8                               |
| Inactive – electrically disconnected due to meter disconnected (1,9) | 13                              |
| Inactive – electrically disconnected at meter box fuse (1,10)        | 5                               |
| Inactive – electrically disconnected at meter box switch (1,11)      | 5                               |
| Inactive – electrically disconnected ready for decommissioning (1,6) | 110                             |
| Inactive – reconciled elsewhere (1,5)                                | 1                               |
| Decommissioned (3)   | 9278                            |

#### 1.9. Authorisation Received

An authorisation email was provided.

### 1.10. Scope of Audit

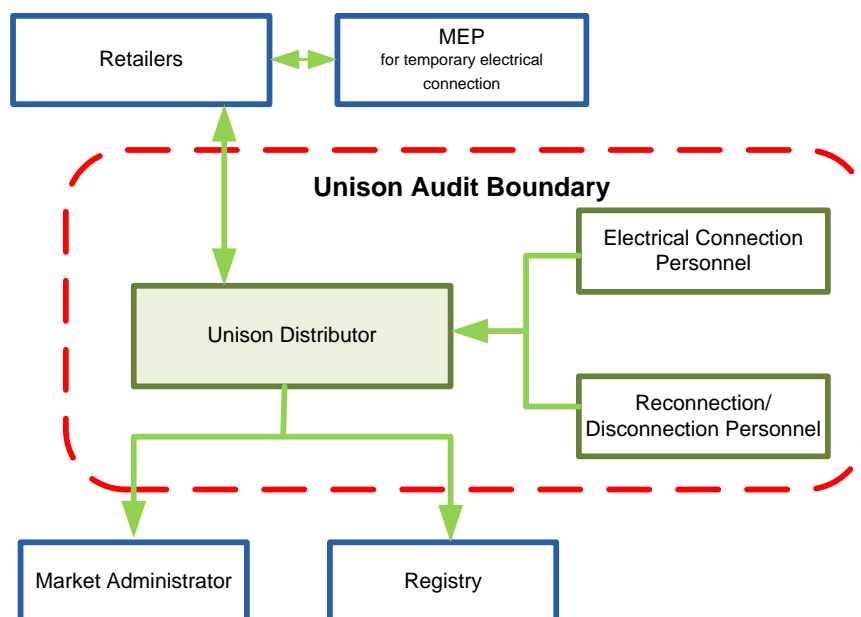
This Distributor audit was performed at the request of Unison, to encompass the Electricity Industry Participation Code requirement for an annual audit, in accordance with clause 11.10 of part 11.

The audit was conducted in accordance with the Guideline for Distributor Audits V7.1, which was produced by the Electricity Authority.

The table below shows the tasks under clause 11.10(4) of Part 11, which Unison is responsible for. There are no other contractors who assist with these tasks:

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

The scope of the audit below is shown in the diagram below:



## 1.11. Summary of previous audit

Unison provided a copy of their previous audit, conducted in January 2017 by Paul Troon. The audit found three non-compliances and made no recommendations. The matters raised are detailed in the table below:

### Table of non compliance

| Subject                         | Section | Clause                     | Non-compliance  | Status  |
|---------------------------------|---------|----------------------------|---|---|
| Changes to registry information | 3.1     | 8 (1) of schedule 11.1     | Failure to correctly identify change of NSP for ICPs and provide the correct event date.                    | Still existing.<br>Refer to <b>section 4.1.</b> |
| Changes to registry information | 3.1     | 8 (1) of schedule 11.1     | Failure to update registry with changed ICP information within 3 business days of the change taking effect. | Still existing.<br>Refer to <b>section 4.1.</b> |
| Provision of ICP information    | 3.6     | 7 (1) (h) of Schedule 11.1 | Incorrect application of chargeable capacity values.  | Cleared.<br>Refer to <b>section 3.3.</b>        |

## 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

I walked through the process to ensure that registry information is complete, accurate and not misleading or deceptive, including viewing reports used to resolve discrepancies.

The registry list file as at 30/11/2017 was examined to confirm compliance.

### Audit commentary

Unison run a set of registry discrepancy reports on a monthly basis. They also monitor the notification files coming back from the registry on a daily basis. Information mismatches are managed well through these BAU processes in place with the exception of ICPs that are at “new” and “ready” for greater than 24 months (**section 3.14**) and ICPs being made “inactive - ready for decommissioning” by traders and no other notification is sent to Unison (**section 4.1**). These are monitored intermittently and as detailed in **section 4.11**. Gentrack has a software bug resulting in some decommissioned status mismatches between the registry and Gentrack. Therefore, not all practicable steps are taken to ensure that the information provided is complete and accurate.

### Audit outcome

Non-compliant

| Non-compliance   | Description  |                 |                        |
|--|--|-----------------|------------------------|
| Audit Ref: 2.1<br>With: 11.2(1) and 10.6(1)<br>From: 01-Jan-17<br>To: 29-Nov-17  | Not all practicable steps are taken to ensure that the information provided is complete and accurate<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Moderate<br>Breach risk rating: 2  |                 |                        |
| Audit risk rating  | Rationale for audit risk rating  |                 |                        |
| <b>Low</b>   | The registry discrepancies processes are robust except for ICP status management (monitoring of “new” and “ready” greater than 24 months and ICPs moving to “inactive - ready for decommissioning”<br>The volume of ICPs is low, therefore the audit risk rating is low. |                 |                        |
| Actions taken to resolve the issue   |  | Completion date | Remedial action status |
| Unison notes the Auditor’s comment that not all practicable steps are taken to ensure that the information provided is complete and accurate. Where possible, we have updated Registry information that has been identified in this audit to the correct information. Specific Registry changes we have made include: <ul style="list-style-type: none"> <li>- Monitoring of ‘new’ and ‘ready’ statuses (section 3.14)</li> <li>- Changes to registry information (section 4.1)</li> <li>- Management of ‘decommissioned’ status (section 4.11)</li> </ul> |  | Completed       | Investigating          |

| Preventative actions taken to ensure no further issues will occur   | Completion date     |  |
|---|---------------------|--|
| For ICPs that are at “new” and “ready” for greater than 24 months, Unison has implemented monthly monitoring to manage ICP status.  | Immediately         |  |
| Monthly monitoring of ICPs “inactive - ready for decommissioning” has also been implemented   | Immediately         |  |
| The connectivity bug in the Gentrack software is currently being reviewed by Gentrack. They have advised that the problem appears to be a base fix affecting all installations (not just Unison’s) and are looking into implementing a fix to cover all versions of the software. | TBA – with Gentrack |  |

## 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

Unison’s data management processes were examined. The registry list file as at 30/11/2017 was examined to confirm compliance.

### Audit commentary

Unison have processes in place to identify and resolve registry discrepancies as described in **section 2.1**. I saw evidence of incorrect information being corrected during the audit, however the two incorrect NSP change event dates recorded as non-compliance last year have not been corrected during the audit period.

| ICP             | NSP     | Registry event date | Physical event date |
|-----------------|---------|---------------------|---------------------|
| 0000611668HB72D | FHL0331 | 29/07/2016          | 21/07/2016          |
|                 | WTU0331 | 03/11/2016          | 24/08/2016          |
| 0000037945HB746 | FHL0331 | 29/07/2016          | 21/07/2016          |
|                 | WTU0331 | 26/09/2016          | 24/08/2016          |

### Audit outcome

Non-compliant



| Non-compliance  | Description   |                             |                        |
|---|---|-----------------------------|------------------------|
| Audit Ref: 2.2<br>With: 11.2(2) and 10.6(2)<br><br>From: 01-Jan-17<br>To: 29-Nov-17   | Errors not corrected as soon as practicable.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Moderate<br>Breach risk rating: 2   |                             |                        |
| Audit risk rating   | Rationale for audit risk rating   |                             |                        |
| Low   | The registry discrepancies processes are generally robust, but the NSP change errors identified in the last audit haven't been corrected.<br>The volume of ICPs is low, therefore the audit risk rating is low. |                             |                        |
| Actions taken to resolve the issue  |   | Completion date             | Remedial action status |
| Unison has amended these NSP event dates in the Registry to include the correct dates. However, we note that the 2017 Audit report did not ask Unison to make this change.  |   | Completed                   | Identified             |
| Preventative actions taken to ensure no further issues will occur   |   | Completion date             |                        |
| Following the completion of the current Distributor Audit and in future Audits, Unison will confirm in writing with the auditor whether any changes to ICP information in the Registry are needed.<br>Unison is also addressing the bigger issue of recording accurate and timely NSP change event dates in the Registry by implementing a systems change. This is discussed in more detail in section 4.1 of the report. |   | April 2018<br><br>June 2018 |                        |

### 3. CREATION OF ICPS

#### 3.1. Distributors must create ICPs (Clause 11.4)

##### Code reference

*Clause 11.4*

##### Code related audit information

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

##### Audit observation

The new connection process was examined in detail and is described in **section 3.2**. A diverse characteristics sample of 10 new connection applications of the 1277 created since November 2016 were checked from the point of application through to when the ICPs were created. The sample included ICPs with unmetered load, distributed generation and connected to different NSPs.

I also checked the new embedded network for HPL0011 which was created during the audit period, to determine whether an LE ICP has been created.

##### Audit commentary

Unison creates ICPs as required by clause 1 of schedule 11.1.

LE ICP 0000041159HB181 was created for HPL0011, prior to the embedded network becoming active. A LE ICP also exists for TWQ0011.

##### Audit outcome

Compliant

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

##### Code reference

*Clause 11.5(3)*

##### Code related audit information

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

##### Audit observation

The new connection process was examined in detail. A diverse characteristics sample of 10 new connection applications of the 1277 created since November 2016 were checked to determine whether the ICPs had been created within three business days of a request by a trader.

### Audit commentary

Unison receives all applications for new connections from traders. Unison manages the new connections within Gentrack, attaching scanned copies of the associated paperwork to the relevant ICP. Gentrack will not allow ICPs with duplicate addresses to be created. ICPs are created at the "Ready" status unless there is network extension required. In these cases, they are created as the "New" status. The ICP's are not created until all the relevant details have been provided. New ICPs are electrically connected by a Unison approved connection agent engaged by the trader. Unison issue an authority to electrically connect the ICP to the Unison network to the agent, and a "certificate of livening" is returned to Unison by the livening agent.

If an ICP cannot be created within three days of the application being received an email is sent to the trader advising of the reason for the delay. The sample checked confirmed compliance.

### Audit outcome

Compliant

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

### Code reference

Clause 11.7

### Code related audit information

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

### Audit observation

A diverse characteristics sample of 10 new connection applications of the 1277 created since November 2016 were checked from the point of application through to when the ICP was created, to confirm the process and controls worked in practice.

### Audit commentary

Review of the sample of new connections confirmed that the ICP information provided to the registry by Unison was correct, with the exception of three ICPs with unmetered load that were electrically connected during the audit period and had no unmetered load recorded. These details were provided as part of the ICP application process.

Two issues identified in January 2017 audit have been cleared:

- Unison had recorded installation type L for ICP 0000713417TU861, but the meter had an I flow register and the trader had applied the EG1 profile. The registry has now been corrected to show installation type B.
- 129 domestic connections had chargeable capacity recorded in error due to a bulk price category update. The chargeable capacity has been removed, and no domestic ICPs with chargeable capacity recorded have been identified during this audit.

### Audit outcome

Non-compliant

| Non-compliance   | Description   |                              |                        |
|--|---|------------------------------|------------------------|
| Audit Ref: 3.3<br>With: 11.7<br><br>From: 15-May-17<br>To: 30-Nov-17   | 3 new ICPs electrically connected during the audit period with unmetered load details not recorded in accordance with schedule 11.1.<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: None<br><br>Controls: Moderate<br><br>Breach risk rating: 2 |                              |                        |
| Audit risk rating  | Rationale for audit risk rating   |                              |                        |
| Low  | The controls are rated as moderate as all other details were correctly recorded<br><br>The audit risk rating is low as only three ICPs were affected during the audit period.   |                              |                        |
| Actions taken to resolve the issue   |   | Completion date              | Remedial action status |
| Unison has updated the Registry to show the UML details relating to the three ICPs electrically connected during the audit period.   |   | Completed                    | Identified             |
| Preventative actions taken to ensure no further issues will occur  |   | Completion date              |                        |
| Unison acknowledges that updating the UML details was something that had been overlooked during the New Connections Process. As part of the Continual Improvement Process, the following action has been taken: <ol style="list-style-type: none"> <li>Instructions have been drafted by the new connections team setting out the correct format for loading UML details into the Registry.</li> </ol> Unison is considering amending the new connections wizard to allow population of UML, when selected. This would reduce the potential for these fields to be missed. |   | Completed<br><br>End of 2018 |                        |

#### 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

An event detail report was examined to determine the timeliness of the provision of ICP information for new connections.

### Audit commentary

The distributor must provide to the registry the information listed in clause 7(1) of schedule 11.1 as soon as practicable, and before electricity is traded at the ICP.

1277 new ICPs were created since November 2016. Of those, 1024 have been completed and connected. I reviewed these completed new connections on the event detail report to identify ICPs where information was provided late:

- Five ICPs (0.4%) were made “ready” after they were electrically connected. These were checked and found:
  - Four of the late updates were due to the licensing agent electrically connecting the ICP before approval had been granted by Unison. An initial approval had been granted to install CT metering in these instances and this appears to have been mistakenly taken as approval to electrically connect by the contractor.
  - The file to the registry for ICP 0000040590HRD3B failed to be processed as the NSP details were missing from it. This was identified through the registry discrepancy process and was corrected upon discovery but was therefore backdated.

The late update of the registry for five new connections is recorded as non-compliance.

### Audit outcome

Non-compliant

| Non-compliance  | Description  |                 |                        |
|---|--|-----------------|------------------------|
| Audit Ref: 3.4<br><br>With: Clause 7(2) of Schedule 11.1<br><br>From: entire audit period                                       | Registry not updated prior to commencement of trading for 5 ICPs.<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: None<br><br>Controls: Strong<br><br>Breach risk rating: 1 |                 |                        |
| Audit risk rating   | Rationale for audit risk rating  |                 |                        |
| <b>Low</b>  | Controls are rated as strong because almost all registry updates occurred on time.<br><br>The audit risk rating is low because a very small number of late updates occurred.                             |                 |                        |
| Actions taken to resolve the issue  |  | Completion date | Remedial action status |
| Unison notes the non-compliance findings; however, there is no action we can take to resolve the current issue in the Registry. |  | N/A             | Identified             |

| Preventative actions taken to ensure no further issues will occur  | Completion date  |  |
|--|--|--|
| <p>Unison has identified a number of preventative actions in can put in place to help mitigate the likelihood of this issue occurring in the future:</p> <ol style="list-style-type: none"> <li>1. Implement a full Performance Management Review of third parties (livening agents) who work on our network. The review will investigate more comprehensive agreements with the agents, including agreeing and communicating expectations around timeliness for completion of paperwork and providing this to Unison. Mobile IT solutions will also be scoped to facilitate timely completion.</li> <li>2. Implement EA's Energisation and Livening Guidelines, once finalised.</li> </ol> <p>The connectivity bug in the Gentrack software is currently being reviewed by Gentrack. They have advised that the problem appears to be a base fix affecting all installations (not just Unison's) and are looking into implementing a fix to cover all versions of the software.</p> | <p>End of 2018</p> <p>TBA – EA Timeframes</p> <p>TBA – with Gentrack</p> |  |

### 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 sub-clause (1)(p) to the registry manager no later than 10 business days after the date on which the ICP is initially electrically connected.*

#### Audit observation

The event detail report and the registry list were examined to determine the timeliness and accuracy of initial electrical connection dates for the 1024 completed new connections.

The ten latest updates, and all ICPs where initial electrical connection dates were not populated were checked, to determine the reasons for the delay. All ICPs with an initial electrical connection populated where the trader has not recorded active status were checked.

#### Audit commentary

Unison expect a certificate of livening" to be returned to them by the livening agent for each new connection. Once this is received the registry is updated. They also monitor the registry for any "active" status updates and there is an additional check as part of the registry discrepancy process. Review of the registry list found 979 ICPs (96%) were updated within ten business days. There were 45 ICPs (4%) that were not updated within ten business days of electrical connection. The sample checked found that:

- five were due to late paperwork
- one ICP was one of the five backdated to active ICPs discussed in **section 3.4**
- two were identified through the regular registry discrepancy process and investigation of the correct date caused these to be late
- the trader advised Unison of the electrical connection in one instance and subsequent investigation of the correct date caused this to be late
- the paperwork for ICP 0000039373HB3FB recorded multiple livening dates and this was investigated before it was updated, causing it to be late.

### Audit outcome

#### Non-compliant

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 3.5<br>With: Clause 7(2A) of Schedule 11.1<br><br>From: entire audit period  | Late population of the initial electrical connection date for 45 ICPs (4%).<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Moderate<br>Breach risk rating: 2  |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>  | Controls are rated as moderate, as they are sufficient to ensure that initial electrical connection dates are accurate and populated on time most of the time.<br><br>The potential impact is low, of the 45 late updates, 31 were updated within 20 business days of the initial electrical connection date. |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| Unison notes the non-compliance findings; however, there is no action we can take to resolve the current issue in the Registry. |   | N/A             | Identified             |

| Preventative actions taken to ensure no further issues will occur  | Completion date                             |  |
|--|---|--|
| <p>Unison has investigated this non-compliance and identified two preventative actions that will be undertaken to mitigate the risk of this issue occurring in the future:</p> <ol style="list-style-type: none"> <li>1. The daily discrepancy reports Unison runs will be used as a prompt to chase confirmation of IED from livening agents, where the check shows that the initial date has been populated by the trader but there is no IED.</li> <li>2. Implement a full Performance Management Review of third parties (livening agents) who work on our network. The review will investigate more comprehensive agreements with the agents, including agreeing and communicating expectations around timeliness for completion of paperwork and providing this to Unison. Mobile IT solutions will also be scoped to facilitate timely completion.</li> </ol> | <p>Already initiated</p> <p>End of 2018</p> |  |

### 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

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

The event detail file and registry list were examined to determine compliance.

#### Audit commentary

The new connection process requires applications for new connections to be submitted by traders.

Review of the registry list confirmed that a trader is currently recorded for all active and inactive ICPs. Two ICPs were connected before proposed trader information was provided to the registry. This is recorded as non-compliance below.

Review of the registry list confirmed that there is no known shared unmetered load on Unison's network.

#### Audit outcome

Non-compliant



| Non-compliance   | Description   |                 |                        |
|--|---|-----------------|------------------------|
| <p>Audit Ref: 3.6</p> <p>With: Clause 11.17</p> <p>From: entire audit period</p>   | <p>Two ICPs were electrically connected before proposed trader information was provided to the registry.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p> |                 |                        |
| Audit risk rating  | Rationale for audit risk rating   |                 |                        |
| Low  | <p>Controls are rated as strong because almost all registry updates occurred on time.</p> <p>The audit risk rating is low because a very small number of late updates occurred.</p>   |                 |                        |
| Actions taken to resolve the issue   |   | Completion date | Remedial action status |
| Unison has investigated the two ICPs in question, and these had been electrically connected prior to Unison giving approval to connect. We note that there is no further action we can take to resolve this issue.   |   | N/A             | Identified             |
| Preventative actions taken to ensure no further issues will occur  |   | Completion date |                        |
| Unison intends to implement a full Performance Management Review of third parties (liveness agents) who work on our network. The review will investigate more comprehensive agreements with the agents, including agreeing and communicating expectations around timeliness for completion of paperwork and providing this to Unison. Mobile IT solutions will also be scoped to facilitate timely completion. |   | End of 2018     |                        |

### 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

The new connection process was examined in **section 3.2**. A diverse characteristics sample of 10 new connection applications of the 1277 created since November 2016 were checked to determine if the ICPs were connected at the request of the trader.

#### Audit commentary

The new connection process requires applications for new connections to be submitted by traders.

Review of the registry list confirmed that five ICPs were made “Ready” on the registry after the electrical connection date, and two ICPs had a proposed trader recorded on the registry after the electrical connection date. This is recorded as non-compliance in **section 3.4** and **3.6**. In all cases, Unison had received a request for the connection from a trader and met the requirements of 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 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

The new connection process was examined in **section 3.2**. The event detail file and registry list were examined to determine compliance.

#### Audit commentary

Unison’s processes are robust in relation to this clause as an ICP will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP. No temporarily connected ICPs were identified.

#### Audit outcome

Compliant

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

#### Code reference

Clause 10.30

#### Code related audit information

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

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

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

#### Audit observation

The NSP table was reviewed.

#### Audit commentary

No new NSPs were created by Unison during the audit period.

#### 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

The NSP table was reviewed.

#### Audit commentary

No new NSPs were created by Unison during the audit period.

#### 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:*

*xxxxxxxxxxccc where:*

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

#### Audit observation

The process for the creation of ICPs was examined.

#### Audit commentary

ICP numbers are created in Gentrack. The process for the creation of ICPs was examined, and all ICPs are created in the appropriate format.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 6 Schedule 11.1*

#### Code related audit information

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

#### Audit observation

The list file was examined to confirm all active ICPs have a single loss category code.

#### Audit commentary

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

#### Audit outcome

Compliant

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

#### Code reference

Clause 13 Schedule 11.1

#### Code related audit information

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

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

#### Audit observation

The ICP creation process was reviewed. The event detail file and registry list were examined to determine compliance.

#### Audit commentary

Unison creates all ICPs at ready, unless they know a network extension needed.

No ICPs currently have new status recorded. Monitoring of ICPs with the “New” and “Ready” status is discussed in **section 3.14**.

#### Audit outcome

Compliant

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

#### Code reference

Clause 15 Schedule 11.1

#### Code related audit information

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

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

#### Audit observation

The process to monitor ICPs at new and ready status was reviewed. The event detail file and registry list were examined to determine compliance.

A sample of 11 ICPs with new or ready status for more than 24 months were investigated to confirm whether the correct status was applied, and whether compliance is achieved.

#### Audit commentary

The process to monitor ICPs at the “New” and “Ready” statuses is carried out intermittently. Examination of the list file found 171 ICPs currently have ready status, and 24 of those have been at ready status since before December 2015. The sample checked found that five had been at this status for some months but were followed up as part of this audit. For the remaining six ICPs sampled, Unison had emailed the relevant trader more than once.

#### Audit outcome

Non-compliant

| Non-compliance   | Description  |                 |                        |
|--|--|-----------------|------------------------|
| Audit Ref: 3.14<br>With: 15 Schedule 11.1<br><br>From: entire audit period   | ICPs greater than 24 months not monitored.<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: None<br><br>Controls: Moderate<br><br>Breach risk rating: 2  |                 |                        |
| Audit risk rating  | Rationale for audit risk rating  |                 |                        |
| <b>Low</b>   | The controls are rated moderate as the process is only carried out but only intermittently so there is room for these ICPs to be missed as they age.<br><br>The audit risk rating is low as the volume of ICPs at greater than 24 months is low. |                 |                        |
| Actions taken to resolve the issue   |  | Completion date | Remedial action status |
| Unison has investigated the 24 ICPs identified in the Audit that had been "Ready" for greater than 24 months. Where needed, we have communicated further with relevant Traders regarding these ICPs.   |  | Completed       | Identified             |
| Preventative actions taken to ensure no further issues will occur  |  | Completion date |                        |
| Unison acknowledges that the controls around this process have been moderate over the past 12 months. As a preventative action to mitigate the risk of this, we have implemented the running of monthly reports to check for ICPs in new or ready status for greater than 18 months. |  | Implemented     |                        |

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

#### Code reference

Clause 7(6) Schedule 11.1

#### Code related audit information

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

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

**Audit observation**

The list file as at 30/11/2017 was examined.

**Audit commentary**

Unison does not supply any embedded generation stations with a capacity of 10 MW or more.

**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 three business days after the change takes effect, unless the change is to the NSP identifier of the NSP to which the ICP is usually connected (other than a change that is the result of the commissioning or decommissioning of an NSP).*

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

*If the change to the NSP identifier is for more than 14 days, the time within which notification must be effected in accordance with Clause 8(3) of Schedule 11.1 begins on the 15th day after the change.*

#### Audit observation

The management of registry updates was reviewed.

The event detail file from November 2016 to November 2017 was reviewed to determine compliance. An extreme case sample of 10 backdated events (or less if there were no more than ten) by type were reviewed to determine the reasons for the late updates. This included address, network, NSP change, pricing, and status events.

#### Audit commentary

When information that is held by the registry changes, the distributor responsible for that ICP must provide notice to the registry of that change within three business days of that change taking effect. The event detail reports were examined to identify backdated event updates.

#### Address events

4868 address updates were identified. Five of these (0.12%) were updated more than three business days after the event. Changes to address made in Gentrack cannot be backdated as they always take effect from the day they are made. All of the late updates were reviewed and found that these were made directly into the registry. In these instances, the operator must manually change the event date otherwise it will default to the last event date which is what has happened in these instances.

#### Network events

2219 network events not relating to population of initial electrical connection dates for new connections completed during the audit period were identified. The timeliness of initial electrical connection updates is discussed in **section 3.5**.

282 of these (12.7%) were updated more than three business days after the event. 71 were updated more than 30 business days after the event. The ten latest updates were reviewed and found all related to updates to the registry where distributed generation had been added. The delays were caused by late paperwork confirming these installations.



## Change of NSP

The process of NSP changes remains the same as was recorded in the last audit. ICPs may change NSP if a sub transmission point is moved, transferring ICPs from one NSP to another. The physical changes occur through a network switching program, and information on the changes is provided to GIS operators. The GIS operators manually update the connectivity model and complete a trace, which produces an update file for Gentrack. The updated NSP data for the ICP is then transferred from Gentrack to the registry. The physical date of the change is not recorded; Gentrack is updated with the date the trace was performed, which could be days after the physical change. This is resulting in the incorrect effective date being recorded on the registry. This is recorded as non-compliance below. The event detail report was reviewed to identify NSP changes which occurred between November 2016 and November 2017. 239 ICPs had events recording more than one NSP during the period reviewed. A sample of 15 of these ICPs were reviewed and found they all related to switching due to network faults with one exception for of ICP 0000038757HRAA0. This ICP was mapped to the incorrect NSP when it was created in 2016 and it was backdated to correct it. The NSPs were both in the same balancing area so there is no direct impact to reconciliation. The process to determine the transformer is robust. The mapping of ICP to NSP is discussed in **section 4.2**.

All were found to have the incorrect event date recorded due to the current process. This is recorded as non-compliance below.

The system change to allow full integration between the ADMS real time monitoring system and Gentrack, so that updates to NSPs flow through to Gentrack daily is in progress and planned to go live later this year. I reviewed the process documentation available at the time of this audit and confirm that the change should achieve compliance. It will report every NSP change for the correct event date to the registry. This exceeds the requirement to notify NSP changes greater than 15 days. There is some further testing to be completed before the process can go live and Unison have advised that a material change audit will be undertaken prior to this.

## Pricing events

12,272 pricing updates were identified. 5,620 of these (45.8%) were updated more than three business days after the event. 259 were updated more than 30 business days after the event. The ten latest updates were reviewed and found:

- eight of these related to the change of price codes post the installation of distributed generation
- ICP 0002403021TUB30 was late due to the customer refusing to install an import/ export meter post distributed generation being installed
- ICP 0000039079HRACC was late due to incorrect paperwork being provided in the first instance.

The January 2017 audit found where the number of fittings for DUMML ICPs was contained in the pricing update information, the records were consistently backdated to the start of a month. This issue has been cleared. I reviewed pricing updates on the event detail report and found that where DUMML fittings were recorded only seven of the 50 records were dated the first day of the month, and none of those records were backdated more than two days.

Unison proposed a code change to allow backdated pricing events in 2016 but this has not been included in the latest code review out for consultation, therefore late pricing events remain non-compliant for this audit.

### **Status events**

Unison are notified of ICPs ready for decommissioning via requests received from traders. The work is then issued to an approved contractor. Once the paperwork has been received back from the contractor, Unison request the trader to move the ICP the "Inactive - ready for decommissioning" status and will decommission the ICP once it is at that status. If a trader does not provide a request to decommission to Unison and simply moves the ICP into the "Inactive - ready for decommissioning" status as discussed in **section 4.11**, these are not being monitored on a regular basis.

231 status updates to decommissioned were identified. 219 of these (94.8%) were updated more than three business days after the event. 57 were updated more than 30 business days after the event. The ten latest updates were reviewed and found that all were delayed due to late paperwork being received.

The backdating of events to the registry is recorded as non-compliance.

### **Audit outcome**

Non-compliant

| Non-compliance   | Description  |                 |                        |
|--|--|-----------------|------------------------|
| <p>Audit Ref: 4.1</p> <p>With: Clause 8<br/>Schedule 11.1</p> <p>From: entire audit period</p>   | <p>Some price, network, status, and address changes were backdated</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>  |                 |                        |
| Audit risk rating  | Rationale for audit risk rating  |                 |                        |
| <b>Low</b>   | <p>Controls are rated as weak as they are not sufficient to ensure that the registry is updated on time most of the time for network, pricing and status events.</p> <p>The risk rating is low, because most of the delayed updates were processed within 30 days. Based on the sample checked, the later updates appear to be mostly due to late paperwork.</p> |                 |                        |
| Actions taken to resolve the issue   |  | Completion date | Remedial action status |
| Unison acknowledges the non-compliances identified here. However, we note that there is no further action we can take to resolve the non-compliances identified. |  | N/A             | Investigating          |
| Preventative actions taken to ensure no further issues will occur  |  | Completion date |                        |

|   |  |  |
|---|--|--|
| <p>Unison has responded to each of the non-compliance areas identified by the auditor and set out the preventative actions that will be taken to address these:</p> <ol style="list-style-type: none"> <li>1. Address Events: <ul style="list-style-type: none"> <li>- Address details were changed manually as a consequence of livening agents not providing the correct information. The Performance Management Review of livening agents will consider issue as part of the review.</li> </ul> </li> <li>2. Network Events (DG): <ul style="list-style-type: none"> <li>- Unison's process to update ICPs following the installation and connection of DG (solar) requires the receipt of paperwork (Certificate of Compliance as provided for in Part 6 and/or import/export metering being installed) before making any registry changes, effectively prioritising accuracy over timeliness. The alternative would be to update the registry following approval of DG applications, however this would result in registry be updated to record DG even where installation does not go ahead which is frequently the case. We consider our current approach is appropriate; however, we will provide feedback on suggested improvements to Part 6 of the Code (Distributed Generation), when the EA commences its review in the second quarter of 2018.</li> </ul> </li> <li>3. Change of NSP <ul style="list-style-type: none"> <li>- Unison notes the Auditor's findings. We are in the final stages of testing a system change that will allow full integration between the ADMS real time monitoring system and Gentrack, so that updates to NSPs flow through to Gentrack daily. We will be undertaking a material change audit prior to this going live.</li> </ul> </li> <li>4. Pricing Events <ul style="list-style-type: none"> <li>- As noted by the Auditor, Unison has proposed a code change to allow backdating of pricing events, providing there is agreement between the distributor and retailer. This change was not included in the EA's latest code review, but we have been advised by the EA that it will be consulted on as part of another review sometime in 2018.</li> </ul> </li> <li>5. Status Events: <ul style="list-style-type: none"> <li>- Unison has implemented a review of monthly ICP status reports, including ICPs that are 'inactive –</li> </ul> </li> </ol> | <p>End of 2018</p> <p>July 2018 (TBC)</p> <p>June 2018</p> <p>End of 2018</p> <p>Implemented</p> |  |
|---|--|--|

|   |           |  |
|---|-----------|--|
| <p>ready for decommissioning' and 'decommissioned'. These will be reviewed to actively reduce the timeliness of event changes.</p> <ul style="list-style-type: none"> <li>- Unison has already commenced a thorough review of its decommissioning process to provide assurance for the safe permanent disconnection of points of supply, and to actively manage and reduce the number of 'ready for decommissioning' ICPs on the network. The review will clearly articulate responsibilities and expectations around timeframes, communications to/from traders, and ensure that business processes support this.</li> </ul> | June 2018 |  |
|---|-----------|--|

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

##### Code reference

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

##### Code related audit information

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

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

##### Audit observation

The process to determine the correct NSP was examined. The registry list and event detail report were reviewed to determine compliance.

##### Audit commentary

Each ICP application is checked in the GIS and the correct transformer is selected based on the geographical connection point. As detailed in **section 4.1**, one new ICP was found to be mis-mapped due to the incorrect mapping of a transformer. This was corrected upon discovery and this was the only ICP affected.

The registry list was reviewed to determine whether all active ICPs with the same physical address street, suburb, and town combination had the same NSP recorded. Of the 4606 street, suburb, and town combinations recorded, 258 had ICPs connected to more than one NSP. Many of these were main roads, which were expected to have ICPs connected to more than one NSP. I checked a sample of addresses where most of the ICPs were connected to one NSP, but a small number were connected to another, and found all but one was correctly mapped. I recommend that the broader findings are reviewed to determine if there are any other historic mis-mapped ICPs.

| Recommendation                                  | Description  | Audited party comment  | Remedial action |
|---|--|--|-----------------|
| Regarding:<br>7(1),(4) and (5)<br>Schedule 11.1 | Review analysis of ICP to NSP mapping to ensure no historic mis-mapped ICPs. | Unison notes the auditor's comments and will undertake a review to determine whether there are any other historic mis-mapped ICPs. | Investigating   |

## Audit outcome

Non-compliant

| Non-compliance   | Description  |                     |                        |
|--|--|---------------------|------------------------|
| Audit Ref: 4.2<br>With: Clauses 7(1),(4) and (5) Schedule 11.1<br><br>From: entire audit period  | One existing ICP with an incorrect NSP recorded.<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: Three times previously<br><br>Controls: Strong<br><br>Breach risk rating:1 |                     |                        |
| Audit risk rating  | Rationale for audit risk rating  |                     |                        |
| Low  | The controls are rated as strong as the GIS clearly identifies transformer and therefore NSP connection point.<br><br>The audit risk rating is low as only one ICP was found to be mis-mapped.           |                     |                        |
| Actions taken to resolve the issue   |  | Completion date     | Remedial action status |
| Unison has investigated this ICP and we have amended the Registry to reflect the correct NSP.  |  | Complete            | Investigating          |
| Preventative actions taken to ensure no further issues will occur  |  | Completion date     |                        |
| In addition to the investigation into determining whether there are any other historic mis-mapped ICPs, Unison has also requested Gentrack to fix the connectivity issue between GIS and Gentrack. Gentrack has advised that the problem appears to be a base fix affecting all installations (not just Unison's) and are looking into implementing a fix to cover all versions of the software. |  | TBA – with Gentrack |                        |

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

#### Code reference

Clause 11.31

#### Code related audit information

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

#### Audit observation

The management of customer queries was examined.

#### **Audit commentary**

Unison seldom receives direct requests for ICP identifiers. ICP identifiers can be provided immediately on request once the address has been confirmed.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 2 Schedule 11.1*

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

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

#### **Audit observation**

The process to determine correct and unique addresses was examined. The registry list was reviewed to determine compliance for all active and inactive ICPs.

#### **Audit commentary**

All but 104 active ICPs have GPS co-ordinates recorded. These were checked and found all but ICP 0000032431HR99C (Ohaaki Road, Taupo) had sufficient address information to identify their location. This was discussed on site and the physical address has now been updated to meet the requirements of this clause

No duplicate addresses exist.

#### **Audit outcome**

Non-compliant

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 4.4<br>With: Clause 2<br>Schedule 11.1<br><br>From: entire audit<br>period   | One ICP does not have a physical address unit number, street number, property name or GPS coordinates to allow it to be readily located.<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: None<br><br>Controls: Strong<br><br>Breach risk rating: 1 |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| Low   | Controls are rated as strong and the risk as low, because only one ICP had an address that could not be readily located.  |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| Unison has updated the location address details of this ICP.  |   | Completed       | Cleared                |
| Preventative actions taken to ensure no further issues will occur   |   | Completion date |                        |
| Unison has good controls in place to ensure that ICPs can be readily located (e.g. automatically populating GXP co-ordinates when ICPs are created). We believe our controls are sufficient to prevent this issue from occurring in the future. |   | N/A             |                        |

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

##### Code reference

Clause 3 Schedule 11.1

##### Code related audit information

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

##### Audit observation

The management of this process was discussed.

##### Audit commentary

For new connections, this clause is well understood and there are no shared service mains on the Unison 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 type*
- *the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

#### **Audit observation**

The management of registry information was reviewed. The registry list and event detail reports were reviewed to determine compliance.

A typical sample of data discrepancies were checked.

#### **Audit commentary**

Registry data validation processes are discussed in **section 2.1**.

#### **Price and loss categories**

Analysis of the list file found all active ICPs had a price category and loss category assigned.

#### **Generation**

Unison require an application from any customers wanting to connect distributed generation. Once installed, Unison receive paperwork back from the field and Gentrack is then updated. As noted in **section 4.1**, paperwork can be slow in being returned. Unison runs a monthly check of all ICPs that have a distributed generation profile but where Unison has no distributed generation recorded. Additional to this the EIEP files are monitored to identify any ICPs that generation is recorded but where Unison has no distributed generation is recorded. All such instances are investigated. All pending applications are managed on an aging basis to ensure these are being updated as soon as possible.

Analysis of the registry list confirmed there are 978 ICPs with generation capacity recorded. All ICPs with generation capacity have a fuel type and installation type of "B" recorded on the registry.

There were 23 ICPs with injection/export metering indicated by the MEP on the registry and no generation capacity recorded by Unison. These were examined and found:

- The trader has the RPS profile assigned for nine of these ICPs. Six have had applications received from the customer. Two of these have since been updated on the registry with distributed load details. The remaining four ICPs are awaiting the return of paperwork from the field. No application has been received for two ICPs and the trader has been contacted in relation to these sites. ICP 0076714303HB268 has been investigated and solar panels are present but are not connected to the grid, and never will be therefore distributed generation is not recorded.
- The trader has a profile indicating distributed generation is present for six ICPs. Three have since been updated with distributed generation details as part of BAU. Two have since had their applications cancelled and no distributed generation is present. The remaining ICP is awaiting the return of paperwork before it is updated.
- The trader has the HHR profile assigned for eight ICPs. These are all category three sites or above and Unison knows the sites and there is no distributed generation present, the meter channel recorded by the MEP appears to be incorrect.

Unison have good controls in place in relation to the management of distributed generation.

## Unmetered load

Part 11 states the distributors must provide unmetered load type and capacity of the unmetered load to the registry “if known”.

As noted in **section 3.3**, unmetered load is recorded on the ICP application forms but this information is not being loaded into Gentrack for new ICPs and therefore to the registry. This is recorded as non-compliance below. Review of the registry list identified 324 active ICPs with unmetered load recorded by the trader and no unmetered load recorded by Unison.

For ICPs 0000377134TU196 and 0000371259TU7FE, Unison has recorded unmetered load on the registry, but no unmetered load is recorded by the trader. Unison believe there is unmetered street lighting present.

Any unmetered load recorded by Unison on the registry is not recorded in the recommended format therefore traders cannot check load values. I recommend that the format published in the Guidelines on Unmetered Load Management version 2.1 published by the Authority is adopted:

| Information           | Format   |
|-----------------------|--|
| Connected load        | Watts, 4 digits, zero decimal places.<br>Eg 1565   |
| Semi colon separator  | ;  |
| Running hours per day | Hours to 2 digits, and decimal hours to 1 decimal place<br>Eg 02.5 (ie two and one half hours) |
| Semi colon separator  | ;  |
| Other text            | Free form as required  |

E.g. 1565;11.5 streetlight

| Recommendation                             | Description                                     | Audited party comment   | Remedial action |
|--|---|---|-----------------|
| Regarding clause: 7(1)(m) of schedule 11.1 | Adopt the recommended EA unmetered load format. | Unison acknowledges the Auditor’s recommendation and will adopt the recommended EA unmetered load format as outlined above and staff involved have been made aware of this. | Identified      |

## Initial Electrical Connection date

1024 new connections were completed and made active during the period reviewed. All ICPs electrically connected during the audit period had an initial electrical connection date recorded. Non-compliance is recorded in **section 3.5** for the late population of initial electrical connection dates.

There was one ICP at the “Ready” status, and one ICP at “New connection in progress” status with initial electrical connection dates populated.

| ICP             | Status | Initial electrical connection date | Meter certification date |
|-----------------|--------|------------------------------------|--------------------------|
| 0000040266HBB04 | 0,0    | 28/06/2017                         | -                        |
| 0000039342HR0E3 | 1,12   | 26/01/2017                         | -                        |

Both were checked, and the living paperwork was sighted for ICP 0000040266HBB04 and confirmed correct. The trader has since backdated this ICP to active for the same initial electrical connection date. Living paperwork was sighted for ICP 0000039342HR0E3. The trader has since advised this is a duplicate ICP (not a duplicate address) and the ICP has been set to “inactive - reconciled elsewhere” by the trader.

The event detail report and the registry list were examined to determine the accuracy of initial electrical connection dates. Where the initial electrical connection date was populated:

- 998 (97.5%) match the retailer’s earliest active date, 26 do not match
- 988 (96.5%) match the meter certification date, are unmetered, or have no meter certification date entered because an MEP nomination is in progress, 36 do not match.

A sample of ten differences were checked, to determine whether Unison’s records were correct and found:

- six where Unison’s date is correct
- three were incorrect due to human error and these have since been corrected
- ICP 0000039547HRBAA is being investigated to determine the correct electrical connection date.

### Audit outcome

Non-compliant

| Non-compliance   | Description   |
|--|---|
| <p>Audit Ref: 4.6</p> <p>With: Clause 7(1)(m) &amp; (p) Schedule 11.1</p> <p>From: entire audit period</p> | <p>Known unmetered load not recorded and three incorrect initial electrical connection dates.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>  |
| Audit risk rating  | Rationale for audit risk rating   |
| <b>Low</b>   | <p>The controls are rated as moderate as Unison mitigate risk most of the time but there is room for errors to occur, specifically in relation to the recording of unmetered load.</p> <p>The audit risk rating is recorded as low as the overall number of variances is low.</p> |

| Actions taken to resolve the issue   | Completion date | Remedial action status |
|--|-----------------|------------------------|
| <p><b>Unmetered Load:</b> where known unmetered load has been identified in the audit but not recorded, Unison has updated this in the Registry to include the unmetered load details. During this process, a couple of other instances were discovered dating back 2-3 years where this information had been missing. On the auditor's advice, this information was updated using the creation date as the 'effective' date.</p> <p><b>Initial Electrical Connection Date:</b> Unison has investigated ICP 0000039547HRBAA and it determined that the Trader had updated the Registry with the incorrect information. The Registry has subsequently been amended by the Trader to include the correct date of 21/3/2017.</p>  | Completed       | Identified             |
| Preventative actions taken to ensure no further issues will occur  | Completion date |                        |
| <p>Unison will implement the following preventative actions to reduce the likelihood of this non-compliance occurring again in the future:</p> <ul style="list-style-type: none"> <li>• <b>Generation:</b> Despite being compliant with changes to the metering status for the connection of DG, Unison intends to run a further monthly report (PR255) to identify PV profiles in the meter register details.</li> <li>• <b>Unmetered Load:</b> As noted in response to section 3.3, Unison has taken the following action as part of our Continual Improvement Process:               <ol style="list-style-type: none"> <li>1. A review of fields to be populated has been clarified with the New Connections Team</li> <li>2. Updates to the New Connections wizard are being investigated to determine whether this process can be automated.</li> </ol> </li> </ul> <p><b>Initial Electrical Connection Date:</b> The accuracy of initial electrical connection dates will be investigated fully in our Performance Management Review of third parties (livening agents) who work on our network. This work will be supported by the Electricity Authority's Guidelines on Livening and Energisation which are due out for consultation later in 2018.</p> | Implemented     |                        |
|  | Implemented     |                        |
|  | End of 2018     |                        |

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

##### Code reference

*Clause 7(3) Schedule 11.1*

##### Code related audit information

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

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

##### Audit observation

The management of registry information was reviewed. The event detail report and registry list were reviewed to determine compliance.

##### Audit commentary

1024 new connections were completed and made active during the period reviewed. I reviewed these completed new connections on the event detail report and found all had a pricing category entered within 10 days of being electrically connected.

##### Audit outcome

Compliant

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

##### Code reference

*Clause 7(8) and (9) Schedule 11.1*

##### Code related audit information

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

##### Audit observation

The registry list was reviewed to determine compliance.

##### Audit commentary

112432 (99.9%) of Unison's 112542 active and inactive ICPs have GPS coordinates that allow the ICP to be readily located. Where Unison have populated GPS coordinates, these are provided in the correct format.

##### Audit outcome

Compliant

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

##### Code reference

*Clause 14 Schedule 11.1*

##### Code related audit information

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

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

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

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

##### Audit observation

Processes to manage the ready status were reviewed.

The event detail report and registry list were reviewed to identify and check ICPs at the “Ready” status. A diverse sample of ten ICPs at ready status were checked.

##### Audit commentary

Unison creates all ICPs at the “Ready” status, unless they know a network extension is needed.

Five ICPs (0.4%) were updated to “Ready” two or three days after the connection date, this is recorded as non-compliance in **section 3.4**.

The registry list showed 171 ICPs currently at “Ready” status, 24 of those have been at “Ready” status since before December 2015 and are discussed further in **section 3.14**. All had a single price category assigned and trader identified.

##### Audit outcome

Compliant

#### 4.10. Management of “distributor” status (Clause 16 Schedule 11.1)

##### Code reference

*Clause 16 Schedule 11.1*

##### Code related audit information

*The ICP status of “distributor” must be managed by the distributor and indicates that the ICP record represents a shared unmetered load installation or the point of connection between an embedded network and its parent network.*

##### Audit observation

The event detail report and registry list were reviewed to identify ICPs at distributor status. All ICPs with distributor status were reviewed.

### Audit commentary

Unison supplies two ICPs with distributor status; they are points of connection between embedded networks and Unison's network. Both have an LE ICP recorded on the registry. There is no known shared unmetered load connected to Unison's network however the street light audits being undertaken by the traders has highlighted some potential shared unmetered load. This is discussed in **section 7.1**.

### Audit outcome

Compliant

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

### Code reference

*Clause 20 Schedule 11.1*

### Code related audit information

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

*Decommissioning only occurs when:*

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

### Audit observation

The event detail report and registry list were reviewed to identify ICPs at decommissioned status. A diverse sample of 10 ICPs ready for decommissioning.

### Audit commentary

The decommissioning process is discussed in **section 4.1**. There is reporting in place to identify ICPs at the "inactive - ready to be decommissioned" status but this is not run on a regular basis and the Gentrack issue detailed in **section 4.1** means that not all ICPs at this status in the registry are being managed. Examination of the list file found 107 ICPs are at "ready for decommissioning" status.



| Ready for decommissioning since | ICP count |
|---------------------------------|-----------|
| 2002                            | 1         |
| 2003                            | 2         |
| 2012                            | 2         |
| 2013                            | 1         |
| 2014                            | 4         |
| 2015                            | 12        |
| 2016                            | 38        |
| 2017                            | 47        |

A sample of ICPs at ready for decommissioning status were checked to determine whether the status was correct, and why they have not been decommissioned:

- Four are decommissioned in Gentrack but not on the registry. This is caused by the status being recorded in two areas in Gentrack and the registry discrepancy reporting is not set to look at the misaligned status therefore these are not being identified via the registry discrepancy reporting. The connectivity bug in the Gentrack software is currently being reviewed by Gentrack. They have advised that the problem appears to be a base fix affecting all installations (not just Unison's) and are looking into implementing a fix to cover all versions of the software.
- Two ICPs are recorded as connected in Gentrack but the trader has them as "Inactive - ready for decommissioning" status. This is in dispute between Unison and the trader.
- A further three ICPs are awaiting paperwork to be returned.
- No request for decommissioning has been received from the trader for ICP 0005001096TU797. This is being investigated.

Late updates to decommissioned status are recorded as non-compliance in **section 4.1**.

### Audit outcome

Non-compliant

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 4.11<br>With: 20 Schedule 11.1<br>From: entire audit period  | Status mismatch between Gentrack and the Registry for four ICPs.<br>Potential impact: None<br>Actual impact: None<br>Audit history: None<br>Controls: Weak<br>Breach risk rating: 3   |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>  | The breach risk rating is weak as ICPs in this status are not monitored regularly and the Gentrack bug means status mismatches are not being identified.<br>The audit risk rating is low as these are decommissioned ICPs and are therefore no longer being reconciled. |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| Unison has investigated the ICP 0005001096TU797 is continuing to work with the retailer to determine the correct status for this ICP. |   | April 2018      | Investigating          |

| Preventative actions taken to ensure no further issues will occur   | Completion date  |  |
|---|--|--|
| <p>Unison has identified the following preventative actions to minimise the likelihood late updates to decommissioned status:</p> <ul style="list-style-type: none"> <li>Run a monthly 'list file' report to identify ICPs 'ready for decommissioning' and 'decommissioned'. Work to reduce the number of 'ready for decommissioning' ICPs will be managed through a review of the decommissioning process (see below).</li> <li>Unison has already commenced a thorough review of its decommissioning process to provide assurance for the safe permanent disconnection of points of supply, and to actively manage and reduce the number of 'ready for decommissioning' ICPs on the network. The review will clearly articulate responsibilities and expectations around timeframes, communications to/from traders, and ensure that business processes support this.</li> <li>The connectivity bug in the Gentrack software is currently being reviewed by Gentrack. They have advised that the problem appears to be a base fix affecting all installations (not just Unison's) and are looking into implementing a fix to cover all versions of the software.</li> </ul> | <p>Implemented</p> <p>June 2018</p> <p>TBA – with Gentrack</p> |  |

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

##### Code reference

*Clause 23 Schedule 11.1*

##### Code related audit information

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

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

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

##### Audit observation

The price category code table on the registry was examined.

##### Audit commentary

No new pricing codes have been entered since 1 April 2016; compliance was not assessed.

##### Audit outcome

Not applicable

## 5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

#### Code reference

*Clause 21 Schedule 11.1*

#### Code related audit information

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

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

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

#### Audit observation

The loss category code table on the registry was examined.

#### Audit commentary

No new loss factors have been created during the audit period; compliance was not assessed.

#### Audit outcome

Not applicable

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

#### Code reference

*Clause 22 Schedule 11.1*

#### Code related audit information

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

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

#### Audit observation

The loss category code table on the registry was examined.

#### Audit commentary

No loss factors were changed during the audit period; compliance was not assessed.

#### Audit outcome

Not applicable

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

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

#### Code reference

*Clause 11.8 and Clause 25 Schedule 11.1*

#### Code related audit information

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

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

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

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

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

#### Audit observation

The NSP table was reviewed.

#### Audit commentary

Unison has not created or decommissioned any NSPs during the audit period; compliance was not assessed.

#### Audit outcome

Not applicable

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

#### Code reference

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

#### Code related audit information

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

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

#### **Audit observation**

The NSP table was reviewed.

#### **Audit commentary**

No NSPs have been created or decommissioned during the audit period; compliance was not assessed.

#### **Audit outcome**

Compliant

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

#### **Code reference**

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

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

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

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

#### **Audit observation**

The NSP table was reviewed.

#### **Audit commentary**

No balancing area changes have occurred during the audit period; 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 one month before the creation or transfer of:*

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

#### **Audit observation**

The NSP table was reviewed.

#### **Audit commentary**

Unison has not created any new embedded networks during the audit period; 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 three business days after the change takes effect.*

#### **Audit observation**

The NSP table was reviewed.

#### **Audit commentary**

No balancing area changes have occurred during the audit period for Unison's NSPs; compliance was not assessed.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 27 Schedule 11.1*

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

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

#### **Audit observation**

The NSP table was reviewed.

#### **Audit commentary**

No existing ICPs became NSPs during the audit period; compliance was not assessed.

#### **Audit outcome**

Not applicable

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

##### Code reference

Clause 1 to 4 Schedule 11.2

##### Code related audit information

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

##### Audit observation

The NSP table was reviewed.

##### Audit commentary

Unison has not initiated the transfer of any ICPs during the audit period; 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 is one or more metering installations (Clause 10.25(1)(a)); and*
- *the electricity is conveyed and quantified in accordance with the Code (Clause 10.25(1)(b))*

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

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

##### Audit observation

The NSP supply point table was examined, along with evidence of all updates made to the Reconciliation Manager via the portal.

##### Audit commentary

The NSP supply point table was reviewed:

| Distributor | NSP POC | Description | MEP  | Certification Expiry |
|-------------|---------|-------------|------|----------------------|
| HAWK        | ATI0112 | ATIAMURI    | MRPL | 6/08/18              |

The NSP was recertified during the audit period. The site's certification expired on 17 April 2017 however, test house records submitted to the Authority state that the recertification did not occur until 12 July 2017. Therefore, the site was not certified during this period causing non-compliance with



clause 10.25(1)(b). This is recorded as non-compliance with the code. The recertification was notified within 20 business days of recertification.

#### Audit outcome

Non-compliant

| Non-compliance   | Description   |                 |                        |
|--|---|-----------------|------------------------|
| Audit Ref: 6.8<br>With: 10.25(1)(b)<br>From: 13-Apr-17<br>To: 12-Jul-17  | Site not certified between 17/4/17- 12/7/17.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: None<br>Controls: Moderate<br>Breach risk rating: 2   |                 |                        |
| Audit risk rating  | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>   | The controls are rated as moderate as the site once certified was updated in the correct timeframe but was certified late.<br>The audit risk rating is low as this affected only one gate meter and no defects were found when recertifying so there was no direct impact on reconciliation |                 |                        |
| Actions taken to resolve the issue   |   | Completion date | Remedial action status |
| The reconciliation manager portal shows that certification was due on 17 April 2017 however, test house records submitted to the Authority state that the recertification did not occur until 12 July 2017. On 6 August 2017 the reconciliation manager was notified through the portal. This was inside twenty days of the actual recertification date. |   | Completed       | Investigating          |
| Preventative actions taken to ensure no further issues will occur  |   | Completion date |                        |
| To provide enhanced oversight and assurance of this obligation Unison will discuss with Trustpower (its delegated reconciliation participant for Atiamuri) and Mercury (the MEP) the formal inclusion of certification and notification processes and responsibilities in the arrangements between the parties for Atiamuri.                             |   | End of 2018     |                        |

## 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

The NSP supply point table was reviewed.

### Audit commentary

Unison have not connected any new NSPs during the audit period; 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 one months notification is required before the acquisition (Clause 29(2) of Schedule 11.1).*

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

### Audit observation

The NSP supply point table was reviewed.

### Audit commentary

Unison have not initiated any changes of network owner; 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**

The NSP supply point table was reviewed.

#### **Audit commentary**

There has been no changes to the MEP during the audit period.

#### **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**

The NSP supply point table was reviewed.

#### **Audit commentary**

Unison is not responsible for embedded network gate meters; 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**

The NSP supply point table was reviewed.

#### **Audit commentary**

Unison has not initiated the transfer of any ICPs during the audit period; 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

The registry list was reviewed to identify any ICPs with shared unmetered load connected.

#### Audit commentary

Review of a registry list confirmed there is no shared unmetered load connected to any Unison ICP.

The streetlight audits of Napier and Hastings City Council has identified approximately 150 potential private lights that need to be evaluated. If confirmed to be private these will need to be created as shared unmetered load. I recommend that Unison work with the relevant traders to resolve these.

| Recommendation   | Description   | Audited party comment  | Remedial action |
|------------------|---|--|-----------------|
| 11.14(2) and (4) | Unison work with the relevant traders to resolve "private" lights- either council add them back into their database or shared unmetered load is created to account for this load. | <p>Unison notes the Auditor's recommendation. We intend to work with both the Traders and the local councils to determine the correct treatment for the lights that have been identified as part of the streetlight audits.</p> <p>In addition, Unison already has an initiative underway to provide greater assurance for the connection of distributed unmetered load. We will be advising the consumers (local councils) associated with DUMML ICPs that any additions or alterations to DUMML must be approved by the distributor and reconciled with DUMML databases updated monthly by local councils or their agents.</p> | Identified      |

#### Audit outcome

Compliant

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

### Code reference

Clause 11.14(5)

### Code related audit information

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

### Audit observation

The registry list was reviewed to identify any ICPs with shared unmetered load connected.

### Audit commentary

Review of a registry list confirmed there is no shared unmetered load connected to any Unison ICP, and no changes to shared unmetered load have occurred during the audit period. Compliance was not assessed.

### 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 calculation of loss factors was reviewed.

#### Audit commentary

Unison's provided their documented loss factor processes. These follow the "Guidelines on the calculation and the use of loss factors for reconciliation purposes v2.1". Loss factors have been reviewed during the audit period and no changes were made.

#### Audit outcome

Compliant

## CONCLUSION

The audit found 13 non-compliances and makes three recommendations. Overall Unison has robust controls in place with good registry discrepancy processes in place. Two areas of opportunity were identified, and these relate to the management of ICPs at the “New”, “Ready” and “inactive - ready for decommissioning” statuses and the management of unmetered load detail. Unison already have a project underway in relation to the decommissioning process and the management of unmetered load.

The next audit frequency table indicates that the next audit be due in six months. I have considered this result in conjunction with Unison’s responses which clearly set out the actions to address the non-compliances raised and my recommendation is that the next audit is in 12 months.



## PARTICIPANT RESPONSE