

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

MARLBOROUGH LINES

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EXECUTIVE SUMMARY

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

Five non-compliance were found. It is more than last year because a new audit template provided by the Authority was used to create this report. This template has been separating some previous non-compliances out, which resulted in two non-compliances instead of one in this report. Overall the level of compliance has improved.

We thank Marlborough Lines for its full and complete cooperation in this audit

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirements to correct errors	2.2	11.2(2) of Part 11	Incorrect data is corrected but in some cases, it identified late, it results in backdating transaction in the registry. It is not a structures process yet	Moderate	Low	2	Identified
Timeliness of provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	25 ICPs (7.6%) electrically connected since the last audit had Initial Electrical Connection Date populated later than 10 business days	Moderate	Low	2	Identified
Changes to registry information	4.1	8 of Schedule 11.1	Pricing and network updates later than 3 business days for small percentage of ICPs (10%)	Moderate	low	2	Identified
ICP location address	4.4	2 of Schedule 11.1	Six ICPs had duplicate addresses that did not allow them to be readily located	Strong	Low	1	Identified
Distributor to provide ICP information to the registry manager	4.6	2 of Schedule 11.1	12 ICPs had incorrect or missing data in the registry	Moderate	Low	2	Identified
Future Risk Rating						9	

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

Subject	Section	Recommendation	Description

ISSUES

Subject	Section	Issue	Description

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

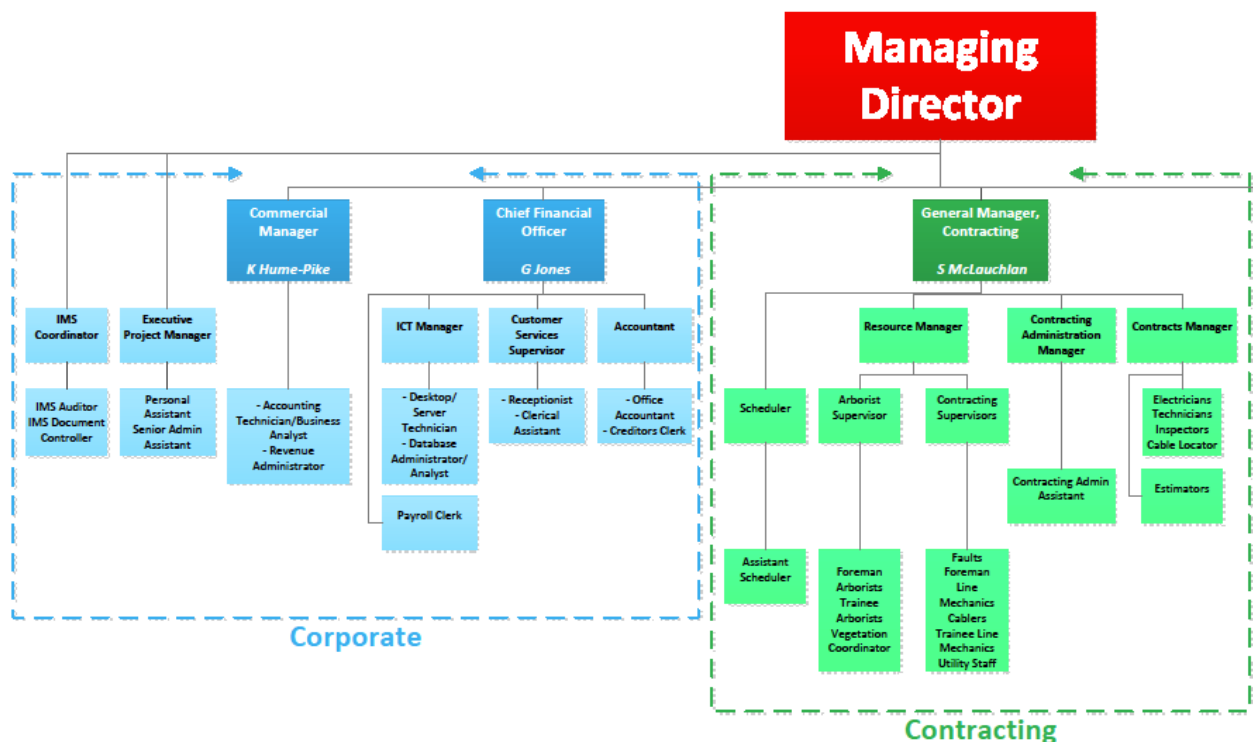
Audit observation

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

Audit commentary

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

1.2. Structure of Organisation



1.3. Persons involved in this audit

Name	Title	Company
Katherine Hume-Pike	Commercial Manager	Marlborough Lines Ltd
Lucy Elvy	Customer Services Supervisor	Marlborough Lines Ltd
Paul Alexander	Network Electrical Inspector	Marlborough Lines Ltd
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates Ltd

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

There are no contractors who assist with, or are used in, Marlborough Lines operations that were audited.

Audit commentary

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

1.5. Supplier list

Gentrack is used by Marlborough Lines for ICP creation and the storing of information (transactions) related to ICPs. It is provided by Gentrack Group Limited.

1.6. Hardware and Software

Gentrack is the main software application used for both ICP creation and data maintenance. This software also handles the registry interface and the updating of ICP information in the registry.

1.7. Breaches or Breach Allegations

We confirm that there were no breaches or breach allegation related to areas covered by this audit.

1.8. ICP and NSP Data

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
MARL	BLN0331	Blenheim			BLN0331MARLG	G	1/05/08	27,927

Marlborough Lines provided the LIS file dated 31/08/17. Total number of ICPs was 27,960.

Status	Number of ICPs (06/09/2017)	Number of ICPs (2016)	Number of ICPs (2015)
Active (2,0)	25,324	25,107	24,897
Inactive- new connection in progress (1,12)	12	9	14
Inactive – vacant (1,4)	302	324	352
Inactive – AMI remote disconnection (1,7)	27	13	0
Inactive – at pole fuse (1,8)	8	2	0
Inactive – de-energised due to meter disconnected (1,9)	1	0	0
Inactive – de-energised at meter box switch (1,10)	0	0	0
Inactive- at meter box switch (1,11)	0	0	0
Inactive – ready for decommissioning (1,6)	3	3	23
Inactive – reconciled elsewhere (1,5)	0	0	0
Decommissioned (3)	2,277	2,190	2,087
Ready (0)	3	1	5
New (999)	0	0	0
Distributor (888)	3	3	3

1.9. Authorisation Received

Marlborough Lines provided a letter of authorisation to the auditor permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

This audit was performed at the request of Marlborough Lines, as required by clause 11.10 of Part 11, to assure compliance with the Electricity Industry Participation Code 2010.

The audit covers the following processes under clause 16A.23 of Part 16A performed by Marlborough Lines

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

- (c) - The creation and maintenance of loss factors

The audit was carried out on the Marlborough Lines premises at 1 Alfred Street in Blenheim, on the 6/7th September 2017. We have followed the audit guidelines as published by the Authority as at the report date in the nature of this audit, in the areas that they reasonably apply under the scope of a distributor's activities.

1.11. Summary of previous audit

Subject	Clause	Non-compliance	Cleared
Distributor to provide ICP information to registry	7(1)(p) & 7(2A) of Schedule 11.1	2 ICPs no Initial Energization Date	Still existing
Changes to registry information	8(2)(b) of Schedule 11.1	Pricing, network and "decommissioned" status for a small number of ICPs updated after more than 3 BDs	Still existing

Subject	Clause	Recommendation for improvement	Cleared
Distributor to provide ICP information to registry		Review the process of updating registry information in a compliant manner for ICPs where solar panels are installed	On-going

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

Compliance with these clauses was reviewed to assess if all practicable steps had been taken to provide accurate information.

Audit commentary

Marlborough Lines is committed to having complete and accurate data in the registry. There is still room for improvement. The company has adopted a proactive attitude to reduce the amount of incorrect or missing information in the registry. A new process was introduced to monitor Initial Electrical Connection Dates for new installations and the date of electrical connection of solar panels.

Audit outcome

Compliant

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

Since the last audit Marlborough Lines developed a number of processes to help them to improve the quality of data in the registry, for example missing Initial Electrical Connection Date and to monitor trader updates to the ICPs status to be “ready for decommissioning”. The company is also working to develop a report to compare data in the registry and Gentrack. This report focus will be to identify discrepancies between two databases and present to an operator in easy to use form.

Audit commentary

In last 12 months, Marlborough Lines was still working through updates to incorrect or missing information identified in last year audit. More proactive approach by developing additional monitoring tools will assist in discovery of possible inaccuracy quicker.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.2 With: 11.2(2) of Part 11 From: 16-Aug-16 To: 31-Aug-17	Incorrect data is corrected but in some cases, it is identified late, it results in backdating transaction in the registry. It is not a structured process yet Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Audit risk rating is assessed as low because Marlborough Lines proactively pursues data correction. No impact on settlement outcomes. The controls we assessed as moderate, many monitoring reports are being put in place but they need to be refined		
Actions taken to resolve the issue		Completion date	Remedial action status
ML will look at opportunities to refine their monitoring reports to improve controls further.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

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

A customer or his/her representative applies for a new connection. The Network Connection Application Form is filled, in which essential details of the new installation are provided.

Marlborough Lines adopted the following process of ICP creation depending on whether capacity is available in the area.

1. Marlborough Lines network team check if capacity is available in the area. Once confirmed that there is enough capacity in the area, a new ICP is created in Gentrack but not uploaded into the registry. Gentrack assigns to the ICP the NU (New Inquiry) status. The way in which Gentrack is written means that the status of NU does not trigger an upload of the ICP to the registry.

Marlborough Lines contacts the trader nominated by the customer and asks for acceptance of this ICP. Trustpower sends back a customer application form with a prospect number attached accepting the ICP and authorising MARL to electrically connect the ICP. Other retailers send back an ICP acceptance email.

Once the ICP's acceptance is received from traders, a new connection team enters a proposed trader into Gentrack. It changes the ICP's status in Gentrack and it uploads the ICP's information to the registry.

2. In a situation where there is not enough capacity in the area, the application form is passed to the Contracting Division, which contacts the customer and provides a quote for work which needs to be done. Once it is accepted and a deposit paid an ICP is created. From this point the process is as described above.

Audit commentary

We reviewed 20 new installations, they are listed in section 3.4. It is a well design and executed process.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

All ICPs are requested by a customer or his/her representative not by traders.

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The Customer Service team creates an ICP identifier following the process as described in section 3.1. Gentrack creates the UIS file and it is uploaded to the registry overnight to create the ICP in the registry. A new ICP is uploaded with all information which allows the registry to assign the status of "Ready".

Audit commentary

We examine the LIS file dated 1 September 2017 and confirm all mandatory information is recorded.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

We “walked” through 20 new connections to assess if ICPs were created before being electrically connected. The summary information is shown below:

ICP	ICP created	Acceptance and request to electrically connect	Initial Electrical Connection Date
0006632311MLFE8	25/08/2016	25/08/2016	14/09/2016
0001177721ML48F	29/08/2016	29/08/2016	31/08/2016
0001123537ML05E	13/09/2016	13/09/2016	16/09/2016
0001126355MLE0D	26/09/2016	26/09/2016	10/10/2016
0001177807ML75A	07/10/2016	07/10/2016	13/10/2016
0002278352MLF0C	19/10/2016	20/10/2016	21/10/2016
0001128202MLA0B	30/01/2017	31/01/2017	31/01/2017
0001123576MLEBE	03/02/2017	07/02/2017	10/02/2017
0001177815MLD72	17/02/2017	17/02/2017	27/02/2017
0003315280ML162	21/02/2017	24/02/2017	02/03/2017
0001123580MLF26	01/03/2017	02/03/2017	08/03/2017
0000051137ML773	07/03/2017	08/03/2017	09/03/2017
0006603501ML3CF	17/03/2017	20/03/2017	22/03/2017
0002278612ML8AC	29/03/2017	29/03/2017	24/04/2017
0007703697MLC71	07/04/2017	07/04/2017	13/04/2017
0002271215ML5C7	21/04/2017	24/04/2017	04/07/2017
0007706527MLAE0	02/05/2017	04/05/2017	05/05/2017
0008805298ML8E2	11/05/2017	11/05/2017	17/05/2017

Audit commentary

The process is robust. An ICP identifier is not created and uploaded to the registry unless it is requested by a customer or his/her representative and accepted by a trader. It is a fully automated process within Gentrack to upload ICPs to the registry manager every day. We did not come across any instances where an ICP was created before an installation was electrically connected.

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

To assess compliance, we examined the EDA file for the period 16/8/16 to 31/8/17. There were 329 ICPs electrically connected. For 25 ICPs (7.6%) the Initial Energisation Date was entered later than 10 business days. The most “delayed” updates are shown below:

ICP	Initial Electrical Connection Date	Date of update	Number of business days	Comment
0001104226ML419	21/12/2016	10/05/17	101	Audit report picked up. New ICP, was entered fell off registry
0001155358ML90F	21/12/2016	10/05/17	101	Audit report picked up. New ICP, was entered fell off registry
0001179222ML58A	08/12/2016	08/05/17	108	Audit report picked up. Entered on GT
0006606006MLC20	11/11/2016	08/05/17	127	Audit report picked up. Entered on GT
0006624173ML7BB	11/11/2016	08/05/17	127	Audit report picked up. Entered on GT
0005505371ML22B	19/10/2016	27/02/17	94	Entered on GT didn't go to Registry. Re-entered manually on Registry
0005504200ML397	10/03/2017	08/05/17	42	Audit report picked up. New ICP
0001131870ML198	30/11/2016	25/01/17	41	Daily report picked up status changed to CO. updated IED on GT retailer had taken 2 months to make status change.

Audit commentary

It appears that Marlborough Lines still have had a problem with uploading the Initial Energisation Date within 10 business days. It was identified in the previous audit. Installations are electrically connected by Marlborough Lines inspectors or external contractors. Marlborough Lines inspectors send notification to the office to a generic mail, Gentrack is updated. External contractors are slow to provide paperwork that an installation was electrically connected; it is one of the reasons for late updates. The table above shows that some clean-up work was done in May'17 when it was noted that some dates were missing. In May this year, the company setup a new process to run a daily report which allows them to identify which installations were electrically connected then follow up that the paperwork is received. Analysis of the EDA file shows that the process works. There was only one late update after 8th of May. It was ICP 0002270438ML06F, updated on 18 August 2017, after 14 business days.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 16-Aug-16 To: 31-Aug-17	25 ICPs (7.6%) electrically connected since the last audit had Initial Electrical Connection Date populated later than 10 business days Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	We have recorded the controls as moderate. The company setup a new monitoring process, in May this year, to address non-compliance, which appears to be working well. The impact on participants is none, therefore audit risk rating is low		
Actions taken to resolve the issue		Completion date	Remedial action status
ML will continue to use the process set up in May to ensure this issue is managed on an ongoing basis.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

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

Code reference

Clause 11.17

Code related audit information

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

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

In respect of ICPs across which unmetered load is shared, the distributor must not connect an ICP unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load.

Audit observation

Marlborough Lines follows the connection process set out in clause 10.31. Before an ICP is created in the registry, the company receives an acceptance of that ICP from a trader chosen by a customer at the time of application. A trader sends an email accepting the ICP, from my point of view it means also that it asks to be connected. As soon as the email is received, Gentrack is updated and sends UIS file with the ICP information to the registry. The trader is recorded in the registry as accepting responsibility for the ICP.

Audit commentary

The process adopted by Marlborough Lines is compliant, meeting the requirements of this clause. It would be helpful to ask traders to change the wording of their email, instead of saying “accepting ICP” change it to “accept the ICP and request connection”.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

The process was described in the section above. Marlborough Lines does not connect an ICP unless requested to do so by the trader who will be trading at the ICP. Traders not exactly request connection in their email, they accept responsibility for the ICP, which can be understood as meaning both.

Audit commentary

Commonly the request to connect and acceptance of the ICP is in the same request, the Code does not require this to be the case but it is practical to combine it.

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

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

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 10.30

Code related audit information

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

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

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

Audit observation

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

Audit commentary

Compliance was not assessed because Marlborough Lines does not have such NSPs.

Audit outcome

Not applicable

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

Code reference

Clause 10.30(A)

Code related audit information

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

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

Audit observation

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

Audit commentary

Compliance was not assessed because Marlborough Lines does not have such NSPs.

Audit outcome

Not applicable

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

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

There is a unique distributor code used within the Marlborough Lines area, this is “ML”. The ICP number is based on a sequential account number, historically based on meter walks. The ICP identifier allows for the geographical location of a new connection, which Marlborough Lines finds useful. Gentrack is programmed to used “ML” distributor code for any new ICP identifiers.

Audit commentary

We reviewed the LIS file dated 1 September 2017 and confirm compliance.

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 examination of the LIS file confirmed that each ICP have a single loss category that is referenced to the table of Loss Category Codes stored by the registry. The registry precludes entering loss factor codes which are not specified in the table.

Audit commentary

Any new ICP is always uploaded with a single loss category code. The registry design does not allow the assigning of more than a single loss category code to the ICP.

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

Marlborough Lines uploads all ICP information, registry assigns the status of “ready”. Marlborough Lines does not “use” the status “new”.

Audit commentary

We examine the LIS file and confirm, there were no ICPs with the status “new”.

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

According to the LIS file, there were no ICPs with “new” or “ready” status having been in the registry for 24 months or longer.

Audit commentary

Marlborough Lines has an on-going process to review ICPs status in conjunction with customers and traders. At the time of the audit, there are three ICPs with the status of “ready”, recently created.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

Marlborough Lines does not have an embedded generation station on its network, that has a capacity of 10 MW. The ICP with the highest capacity is ICP 0002272997ML1E6 (2.5MW).

Audit commentary

We confirm, based in the LIS file, that Marlborough Lines does not have an embedded generation station on its network, that has a capacity of 10 MW.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

Activity	No of updates	No of updates later than 3BD	Date range of updates [BD]	Comment
Address	558	11 (2%)	5 to 2556	0007702550ML4F7 backdated 2556 days, the address was incorrect from the ICP creation date
Network	760	169 (22.2%)	5 to 791	88.6 % are updated within 8 business days
Pricing	2,113	352 (16.7%)	5 to 431	85.3% were updated within five business days
Status (0)	45	0		This number looks small in comparison with number of new connections on the network because as soon as a trader (TRUS) updates status to "1,12" the original entry MARL is replaced
Status (999)	142			Not really "reliable" number because Gentrack sometimes sends two files, a few minutes apart. First one does not include a proposed trader, the second does. On other occasions Gentrack send only one file and the registry assigns the status "ready". It is really not relevant to this audit
Status (3)	95		5 to 256	

Pricing – we examined 18 (mostly backdated) ICPs. There were various reasons for the updates. Some of them were related to fuse downgrades, late paperwork from contractors, and correcting mistakes.

Marlborough Lines regularly receives requests from traders to change price category codes. Some of these files are quite big and Marlborough Lines is not always able to make changes within 3 business days. The majority of changes (85.3%) were done within five business days.

Network - Every year Marlborough Lines updates the Regional Peak Demand (RPD). This year 544 ICPs were updated, 14 updates were uploaded to the registry later than 3 business days. Very late updated were a result of updating information of DG and a request from EA to populate the Initial Electrical Connection Date for 3 ICPs. ICP updated were:

- 0001131535MLB7A (791 BD)
- 0001121371ML632 (393 BD)
- 0001177497ML4B1 (427 BD)

Gentrack deleted the original IECD date when solar information was entered. Gentrack is known that it does not handles updates to the network part of the registry. It is well known problem.

Audit commentary

Overall Marlborough Lines updates the registry in timely manner. Small percentage of entries (10%) is later than 3 BD. Probably, it will be always a case for price category code because traders “drive” these updates and often they ask to backdate event date.

Marlborough Lines still have some work to do to improve a flow of information, from their contractors, of completed jobs such upgrades, changes from OH to UG.

Marlborough Lines has only one NSP, BLN0331, therefore clause 8(3) of Schedule 11.1 is not applicable.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of Schedule 11.1 From: 16-Aug-16 To: 31-Aug-17	Pricing and network updates later than 3 business days for small percentage of ICPs (10%) Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	We have recorded the controls as moderate. There is good control over ICPs status and addresses but pricing updates are “driven” by traders. 10% of transactions are effected, in most cases they are so -called special cases. The impact on participants is none, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
ML consider the 10% number is too high and will investigate a sample of these to see if further controls are required or business rules need amending.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

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

Code reference

Clauses 7(1), 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

Marlborough Lines has only one NSP, BLN 0331, therefore there are never any doubts as to which NSP a newly created ICP should be connected to.

Audit commentary

The NSP mapping table in the registry and the LIS files confirmed that Marlborough Lines has only one NSP, BLN 0331. All ICPs on its network are fed from this ICP.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

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

Audit commentary

Calls from customers are answered by the Customer Services who have access to Gentrack, which stores connection/customer information. There are not many calls from customers but Marlborough Lines receives many phone calls from traders or electricians asking to confirm information about specific connection.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

We reviewed the LIS file to assess compliance. We identified one ICP 0008802287ML9F1 for which a location address did not allow the ICP to be readily located. It was caused probably because Gentrack does not upload one of the fields to the registry. It was corrected during the audit. We also identified six ICPs (three pairs) having duplicate addresses, which make them difficult to locate. They were also corrected during the audit.

Audit commentary

Gentrack does not have a built-in functionality to check for duplicate addresses. Marlborough created a special process. The ICP number is based on a sequential account number, historically based on meter walks. When the ICP is created an operator visually checks addresses in the neighbourhood to check if such an address already exists.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 2 of Schedule 11.1 From: 16-Aug-16 To: 31-Aug-17	Six ICPs had duplicate addresses that did not allow them to be readily located Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	We have recorded the controls as strong. This non-compliance is identified for the first time and only six ICPs were effected. The impact on participants is none, therefore audit risk rating is low		
Actions taken to resolve the issue		Completion date	Remedial action status
ML will investigate if the current process is sufficient as the Auditor noted the controls were string or is additional controls are required.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

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

Code reference

Clause 3 Schedule 11.1

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

- *the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)*
- *the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)*
- *the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)*
- *the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)*
- *the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)*
- *if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):*
 - a) *the unique loss category code assigned to the ICP*
 - b) *the ICP identifier of the ICP*
 - c) *the NSP identifier of the NSP to which the ICP is connected*
 - d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*
- *if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):*
 - a) *a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity*
 - b) *a blank chargeable capacity if the capacity value can be determined from metering information*
 - c) *the actual chargeable capacity of the ICP in any other case*
- *the distributor installation details for the ICP determined by the price category code assigned to the ICP (if any), which may be placeholder distributor installation details only if the distributor is unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (Clause 7(1)(i) of Schedule 11.1)*
- *the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (Clause 7(1)(j) of Schedule 11.1)*
- *the status of the ICP (Clause 7(1)(k) of Schedule 11.1)*
- *designation of the ICP as "Dedicated" if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under Clause*

7(1)(b) of Schedule 11.1, or the ICP is a point of connection between a network and an embedded network (Clause 7(1)(l) of Schedule 11.1)

- *if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (Clause 7(1)(m) of Schedule 11.1)*
- *if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (Clause 7(1)(n) of Schedule 11.1)*
- *if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):*
 - a) *the nameplate capacity of the generator; and*
 - b) *the fuel types*
 - c) *the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

Audit observation

The LIS and Metering Installation Information files (PR-255) dated 1 September 2017 were examined to assess compliance.

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

- ICP 0001144370MLF0F – no UML information – distributor field. It was updated during the audit. There was another ICP 0001123666ML710 for which EZYN states that 1kWh/day is used but the light was removed 1/7/16.
- 3 ICPs have no EG information such as type of fuel, capacity of the generator
 - 0007714185ML5DA – Gentrack removed entry, not updated yet
 - 0001132077MLEBF – updated, Marlborough Lines was notified late that EG was electrically connected
 - 0006615140MLC0F – updated, Marlborough Lines was notified late that EG was electrically connected
- Missing Initial Electrical Connection Date for 2 ICPs - 0001120700ML28B and 0001120700ML28B – it was corrected during the audit
- Invalid Initial Electrical Connection Date for 3 ICPs 0000052499MLB12, 0001122190ML82A, 01165489ML626, 0002270173ML91B, 0002271378MLC68, 0008810128ML692

Audit commentary

There are a small number of ICPs for which information is missing or is incorrect. In the section 3.5 we described that Marlborough Lines introduced a new process to capture the Initial Electrical Connection Date and it would appear that the process is working well. In the next audit, we should not see any ICPs with invalid or missing Initial Electrical Connection Date.

Marlborough Lines keeps detailed information about each DG application, date of application, date of approval, a proposed connection date, who a contractor is. The issue which Marlborough Lines faces, like many other networks, is that quite often they do not receive notification of solar panels being electrically connected and import/export meters installed. Marlborough Lines is planning to implement a new process, which will regularly check the Metering Installation Information file provided by the registry for new import/export meters installed on its network then follow-up with customers. We walked through 10 randomly chosen GD installations recorded in the spreadsheet and compared them with the registry. We confirm information in registry is correct.

There is still for improvement but the number of mission or incorrect information in registry decreased since the last audit.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1) of Schedule 11.1 From: 16-Aug-16 To: 31-Aug-17	12 ICPs had incorrect or missing data in the registry Potential impact: Low Actual impact: Low Audit history: Once before Controls: Moderate Breach risk rating:		
Audit risk rating	Rationale for audit risk rating		
Low	We have recorded the controls as moderate. The company setup a new monitoring process, in May this year, to address non-compliance, which appears to be working well. The impact on participants is none, therefore audit risk rating is low		
Actions taken to resolve the issue		Completion date	Remedial action status
ML will continue to use the process set up in May to ensure this issue is managed on an ongoing basis.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

As a part of the new connections process, Marlborough Lines assigns the actual price category code and the actual changeable capacity (if applicable) of the ICP at the time an ICP is created.

Audit commentary

The actual price category code is assigned based on capacity information given by a customer. It is discussed with a customer with higher capacity before an ICP is created.

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 LIS file was reviewed. All ICPs with the status “active” or “de-energised” have the GPS coordinated fields populated. ICPs with the status of “ready” do not initially have GPS coordinates uploaded.

Audit commentary

We confirm that GPS coordinates meet the NZTM2000 as per registry specification.

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

According to the process described in section 3.1, Marlborough Lines receives an acceptance email from a trader, specified by a customer, before uploading all ICP information to the registry (including four-letter code of trader). The registry assigns the status of “Ready”. Each ICP also has a single price category code assigned.

Audit commentary

We “walked” through 20 new connections to assess the process, which we found compliant. Acceptance of an ICP is stored as an attachment in Gentrack. There is a good audit trail.

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

Marlborough Lines has four ICPs with the status of “distributor”, representing shared unmetered load, which are correctly populated in the registry. We checked the LIS file and confirm that the information is correctly populated.

Audit commentary

The company does not allow any new shared unmetered load. Currently ICPs recorded with the status of “distributor” were created in 2008.

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 process has not changed since the last audit. Marlborough Lines decommissions an ICP on request from an electrician, who represents a customer. A job order is created and a lineman goes on site and removes the equipment. Once it is completed the office is notified and a notification with details is sent to a trader asking it to change the ICP status in the registry to “de-energised - ready for decommissioning”. Marlborough Lines updates it to “decommissioned”. The date of decommissioning is always the date of physical decommissioning even if it means backdating the registry because some traders are slow to update the registry. The company’s view is that they want to have complete and accurate information in the registry as per the obligations stated in clause 11.2(1) of Part 11.

Marlborough Lines has a new report which allows them to track the changes of an ICPs status in the registry, daily. Now Marlborough Lines changes the ICP status to “1,6” as soon as it is changed to “decommissioned” by a trader.

We sampled 10 decommissioned ICPs to follow the decommissioning process. These are the ICPs decommissioned since the last audit. The results are shown below;

ICP	SR	Site visit	Trader change registry to "1,6"	MARL registry update
0001107489ML73E	01/05/2017	10/05/2017	23/05/2017	02/06/2017
0001115205MLCCD	10/04/2017	11/04/2017	19/04/2017	21/04/2017
0001121097MLE04	26/07/2017	31/07/2017	18/08/2017	21/08/2017
0001124101MLE48	10/01/2017	30/01/2017	07/02/2017	09/02/2017
0001145098ML502	builder removed meters, it was to be safety disconnection	13/12/2016	30/05/2017	02/06/2017
0002270394ML46C	19/08/2016	23/08/2016	02/09/2016	09/09/2016
0003330446MLFE9	15/03/2017	23/03/2017	31/03/2017	04/04/2017
0003341289MLAC7	14/06/2017	20/06/2016	26/06/2017	27/06/2017
0005504328ML5D2	external contractor decom without MARL knowledge	02/11/2016	09/11/2016	11/04/2017
0005505380MLE79	31/05/2017	08/06/2017	13/06/2017	14/06/2017

Audit commentary

We found decommissioning process well designed and executed. All information related to decommissioning are stored in Gentrack. The company closely monitors changes to ICPs statuses (new report). As soon it is noted that a trader changed the ICP status to “1,6”, Northpower will decommission the ICP in the registry.

Audit outcome

Compliant

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

The Price Category Codes table in the registry was examined. New price category codes were added as of 1/4/2013.

Audit commentary

Marlborough Lines is aware of the obligations which this clause places on a distributor and will fulfil them when it decides to update its loss factors.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

We examined the Loss Factor Codes table in the registry. There were no new entries since 1/4/2013.

Audit commentary

Marlborough Lines has 2 Loss Factor Codes in the registry, no new entries were added since the last audit.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

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

Audit commentary

Marlborough Lines is aware of the obligations which this clause places on a distributor and will fulfil them when it decides to update its loss factors.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

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

Audit commentary

Based on examination of the NSP mapping table in the registry it was confirmed that no NSP was decommissioned or a new one created since the last audit. Marlborough Lines has only one NSP BLN0331.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

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

Audit commentary

This clause is not Applicable because Marlborough Lines has not created a new NSP since the last audit.

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

Audit observation

Marlborough Lines has not created a new NSP in last 12 months.

Audit commentary

Compliance was not assessed because a new NSP was not created. It is very unlikely that it ever will.

Audit outcome

Not applicable

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit observation

Marlborough Lines has not established any embedded network since the last audit.

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

Marlborough Lines has one balancing area, BLN0331MARLG, according to the NSP mapping table in the registry.

Audit commentary

We examined the NSP mapping table in the registry. It showed that there were no changes to the balancing area in the last 12 months.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

Marlborough Lines did not establish any embedded network.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

There was no ICPs transfer by Marlborough Lines.

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 10.25(2)

Code related audit information

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

Marlborough Lines did not acquire all or part of a new network.

Audit commentary

This clause is not applicable to Marlborough Lines because it has not acquired all or part of a network.

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

Marlborough Lines is not an owner of any embedded network.

Audit commentary

This clause does not apply to Marlborough Lines. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

Marlborough Lines has not established an embedded network since the last audit.

Audit commentary

This clause does not apply to Marlborough Lines. 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

Marlborough Lines has not established an embedded network since the last audit.

Audit commentary

This clause does not apply to Marlborough Lines. 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

In accordance with company policy Marlborough Lines does not accept shared unmetered load. There are 3 ICPs with the status “distributor” which represent shared unmetered load. These ICPs were created in 2008. The reconciliation flag is “SI”. To these 3 ICPs there are connected 16 individual ICPs, which represent a single connection, they are shown below:

Parent ICP	Children ICP	Location
0001162160ML3A8	0001162161MLFED 0001162165MLEE7 0001162169MLDF9 0001162173ML5C5	Blenheim
0001188480MLF2A	0001188497ML84D 0001188501MLF21 0001188505MLE2B 0001188509MLD35	Blenheim
0006616380ML307	0006616388ML113 0006616394ML8A0 0006616400ML94F 0006616406ML8C0 0006616412ML367	Picton

Audit commentary

We examined the LIS dated 1 September 2017 and confirm that shared unmetered load is correctly populated.

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

As we mentioned above, all shared unmetered load ICPs are historic, so there are no additions to shared unmetered load. If Marlborough Lines becomes aware of a change to the capacity of a shared unmetered load, it will update the registry.

Audit commentary

We checked the EDA file for the period 16/8/16 to 01/9/17. There were no updates to information for shared unmetered load ICPs.

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

Marlborough Lines revised loss factors in 2012 and uploaded to the registry. The methodology of calculation of loss factor is not prescribed by the Code. The Authority guidelines on the calculations of loss factor are being reviewed, the company did not use these guidelines for its calculations.

Audit commentary

Loss factor was not recalculated in the last 12 months. The company considers them accurate. There were no changes to the configuration of the network. The loss factors for LV and 11 kV metered connections are published on the Marlborough Lines website.

Audit outcome

Compliant

CONCLUSION

PARTICIPANT RESPONSE

ML has a though understanding of the requirements and is continuing to improve processes to ensure requirements are met.