

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**



For

NETWORK TASMAN

Prepared by: Rebecca Elliot

Date audit commenced: 15 August 2017

Date audit report completed: 13 September 2017

Audit report due date: 15-Sep-17

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EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Network Tasman Ltd (Network Tasman)** to encompass the Electricity Industry Participation Code requirement for an annual audit as required by clause 11.10 of part 11. The audit was carried out at Network Tasman's premises in Nelson on August 15th, 2017.

The audit was conducted in accordance with the Guideline for Distributor Audits version 7.1, which was produced by the Electricity Authority.

Network Tasman place a high level of importance on compliance and they strive at every opportunity to be compliant. This audit found three minor non-compliances and makes no recommendations. They have robust processes in place to monitor and manage their code requirements and in some areas go beyond their requirements. For example, the checking of inactive ICPs switching between retailers that are not moved to active within an expected timeframe. I thank Wendy for her hard work and continued dedication to achieve such a high level of compliance.

The indicative audit frequency table indicates the next audit should be in 24 months and I agree with this recommendation.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Timeliness of provision of IED	3.5	7(2A) of Schedule 11.1	The event date populated to the registry for IED updates is not the IED date.	Moderate	Low	2	Identified
Changes to registry information	4.1	8 of Schedule 11.1	Registry event updates backdated greater than three days.	Strong	Low	1	Investigating
Provide information to the registry	4.6	7 (1) (m)&(p) of Schedule 11.1	1 ICP with missing initial energisation date. 1 ICP with incorrect UML details.	Moderate	Low	2	Identified
Future Risk Rating						5	
Indicative Next Audit Frequency						24 months	

RECOMMENDATIONS

Subject	Section	Recommendation	Description
		Nil	

ISSUES

Subject	Section	Recommendation	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

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

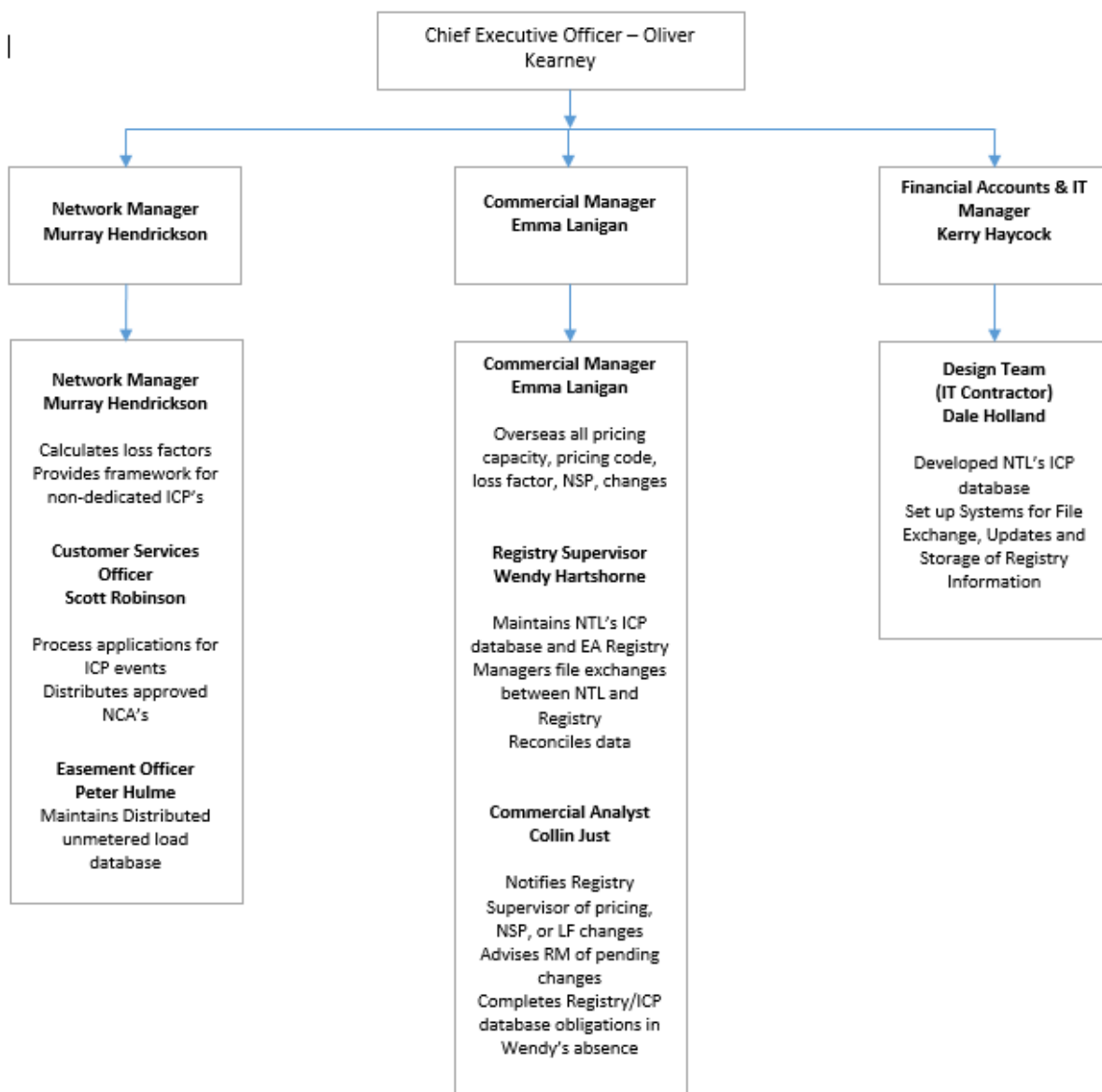
Audit commentary

N/A

1.2. Structure of Organisation

Network Tasman provided a copy of their organisation structure:

Network Tasman Limited Organisational Structure showing person's involvement in ICP Processes – chart



1.3. Persons involved in this audit

Name	Title
Wendy Hartshorne	Registry Supervisor
Scott Robinson	Customer Service Officer
Emma Lanigan	Commercial Manager
Collin Just	Network

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

Network Tasman approves field contractors to conduct connection related activities. I checked Network Tasman's approach to the management of contractors.

Audit commentary

Network Tasman has provided the list below of sub-contractors authorised to perform livening activities on their network.

Network Tasman Limited Approved Independent Contractors/Agents
Involved in the processes to be included in the Distributor audit

Installing Contractors

Installing Contractors who have been through the NTL approval process to make connections/alterations to ICP's connected to the Network Tasman Limited distribution system i.e. they have an Authorisation Holders Certificate

Vircom EMS – 66 Oxford Street Richmond - 021 527 912
Delta Utility Services – 24 Main Road Hope - 03 544 7440
Powertech Nelson – 17 Poutama Street Richmond - 03 5410580
Power Services – Seaton Valley Road Mapua – 021 756 535
W J Ashton Services Limited – 144 Barnett Ave Richmond – 021 159 4223

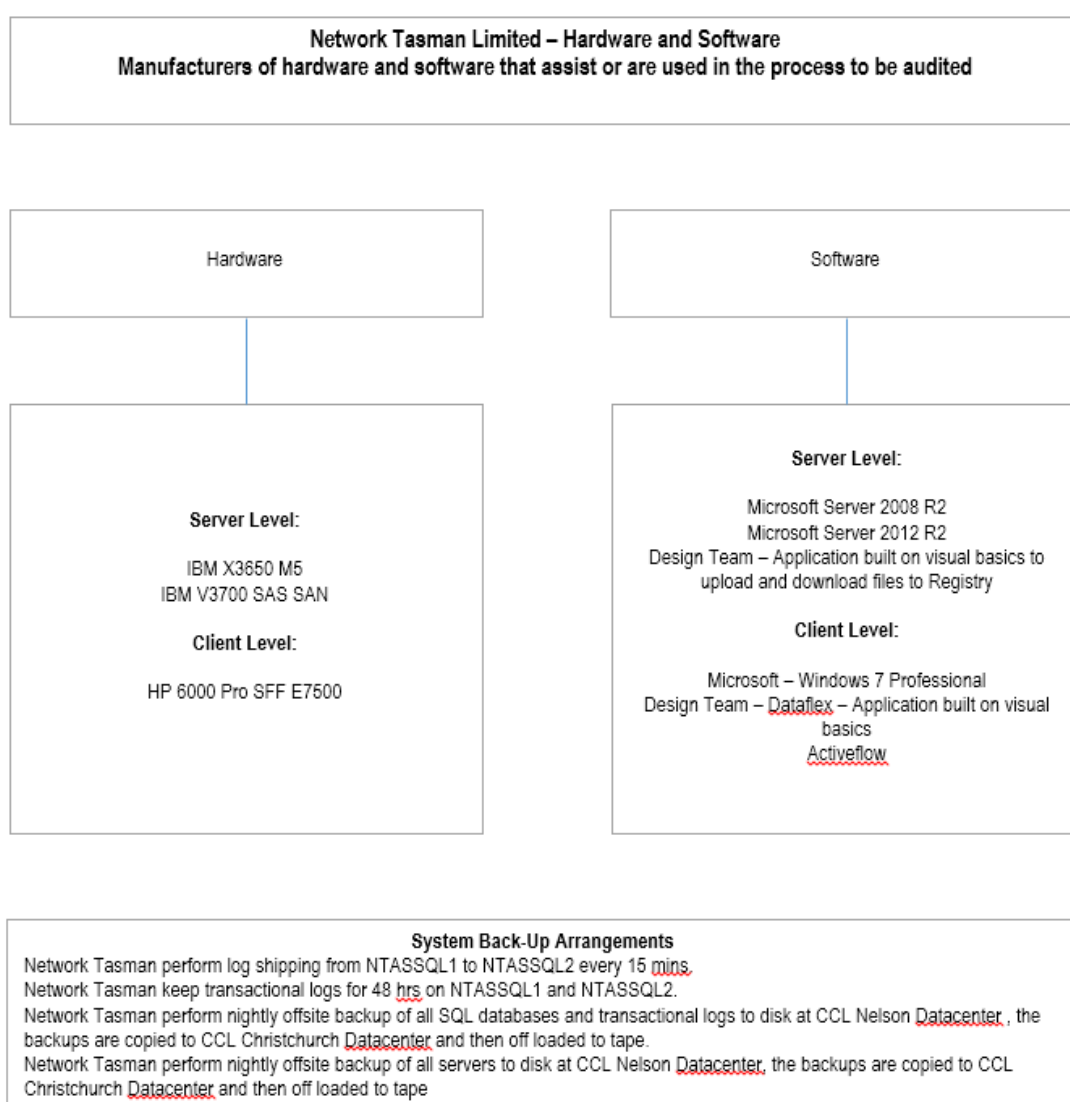
1.5. Supplier list

Network Tasman has provided the list in **section 1.4** of sub-contractors authorised to perform livening activities on their network.

1.6. Hardware and Software

Network Tasman provided the following diagram that details hardware and software used in the processes to be audited.

Network Tasman Limited Hardware and Software Used in Processes to be audited – chart



1.7. Breaches or Breach Allegations

Network Tasman has no breach allegations recorded by the Electricity Authority.

1.8. ICP and NSP Data

Network Tasman has responsibility for their local network and the Founders interconnection points.

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

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network Type	Start Date
TASM	FND0112	Founders	STK0331	TASM	BALANC1TASMG	I	20-09-08
TASM	HVN0331	HAVEN RD	STK0331	TASM	BALANC1TASMG	I	01-02-14
TASM	KIK0111	KIKIWA			BALANC1TASMG	G	01-05-08
TASM	MCH0111	MURCHISON			MCH0111TASMG	G	01-07-17
TASM	STK0331	STOKE			BALANC1TASMG	G	01-05-08
TASM	STK0661	STOKE			BALANC1TASMG	G	03-12-14

I note that MCH0011 has a new start date. This is not a new NSP. It had an end date in the NSP table of 30/6/17 but as this hasn't ended it had a new start added by the Reconciliation Manager.

Network Tasman provided a list of all ICPs as at June 2017 by way of a registry "list file". A summary of this data by "ICP status" is as follows:

Status	Number of ICPs 2017	Number of ICPs 2016	Number of ICPs 2015
Distributor	8	8	8
New	1	0	0
Ready	35	43	47
Active (2,0)	39,093	38,573	38,125
Inactive- new connection in progress (1,12)	36	27	25
Inactive – vacant (1,4)	307	293	262
Inactive- reconciled elsewhere (1,5)	0	0	0
Inactive – AMI remote disconnection (1,7)	27	0	0
Inactive – -de-energised due to meter disconnected (1,9)	4	0	0
Inactive – - at pole fuse(1,8)	2	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)	1	1	1
Decommissioned (3)	5,704	5,625	5,543

1.9. Authorisation Received

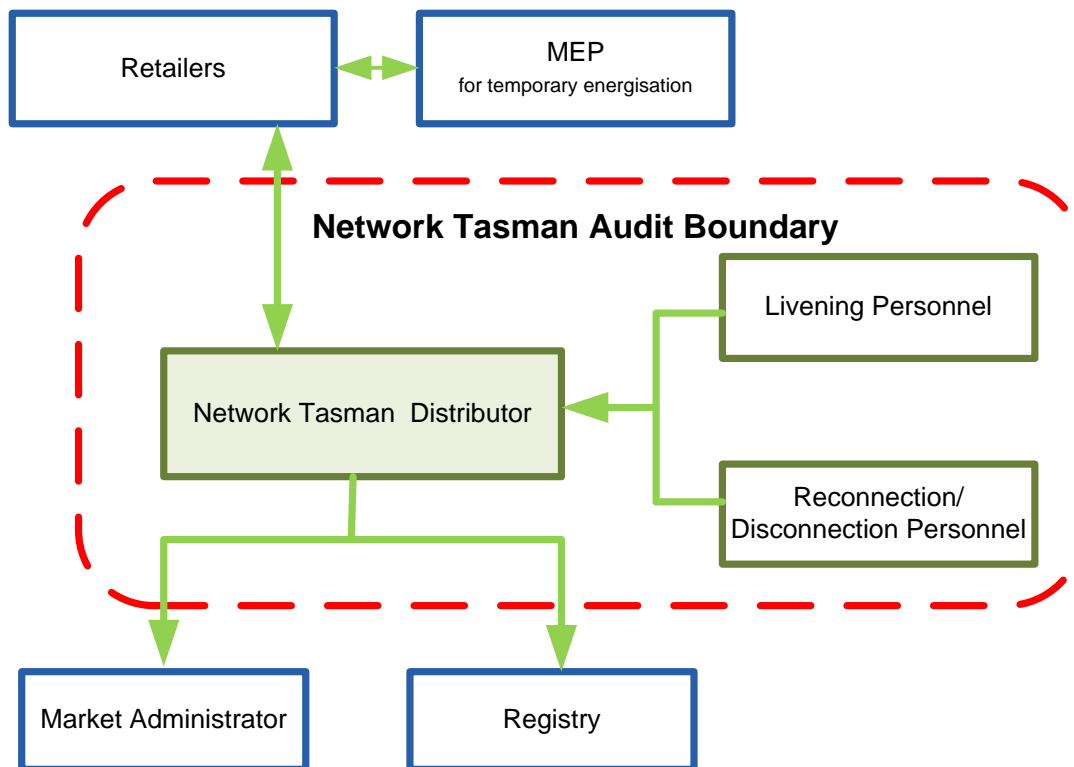
Network Tasman provided a letter of authorisation to Veritek, permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

This Distributor audit was performed at the request of **Network Tasman Ltd** to encompass the Electricity Industry Participation Code requirement for an annual audit as required by clause 11.10 of part 11. The audit was carried out at Network Tasman's premises in Nelson on August 15th, 2017.

The audit was conducted in accordance with the Guideline for Distributor Audits version 7.1, which was produced by the Electricity Authority.

The scope of the audit is shown in the diagram below, with the Network Tasman audit boundary shown for clarity.



All activities covered by this audit are conducted at Network Tasman's head office in Nelson.

1.11. Summary of previous audit

Network Tasman provided a copy of their previous audit report, conducted by Rebecca Elliot of Veritek Limited in August 2016. The current status of these has been updated below:

Table of Non-Compliance

Subject	Section	Clause	Non compliance	Status
Registry updates	3.1	8(2)(b) of schedule 11.1	One backdated price category code change.	Still existing

Table of Recommendations

Subject	Section	Clause	Recommendation for improvement	Status
			Nil	

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1)

Code related audit information

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

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

Audit observation

Network Tasman's data management processes were examined. The list file as at 30 June, 2017 was examined to confirm compliance.

Audit commentary

Network Tasman has processes in place to ensure that information is complete and accurate and is not misleading or deceptive. Examination of the list file found no examples of misleading or deceptive information. Network Tasman makes every effort to ensure data is complete and accurate.

Audit outcome

Compliant

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

Code reference

Clause 11.2(2)

Code related audit information

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

Audit observation

Network Tasman's data management processes were examined. The list file as at 30 June, 2017, was examined to confirm compliance.

Audit commentary

Network Tasman have robust processes and procedures in place to ensure they provide correct and accurate information. A comprehensive daily discrepancy report checking 34 potential discrepancies and this includes such things as inactive ICPs that have switched retailer and for any reconnections that have been disconnected for six months or more where Network Tasman has not had a network connection form and COC submitted. The list of the discrepancies was provided. The two minor discrepancies found the list file were corrected upon discovery.

Audit outcome

Compliant

3. CREATION OF ICPS

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

The new connection process was examined in detail and is described in Section 3.2 below. Five new connection applications of the 346 created were checked from the point of application through to when the ICP was created. These were selected using the typical characteristic methodology to confirm the process and controls worked in practice.

Audit commentary

Network Tasman creates ICPs as required by clause 1 of schedule 11.1. The sample checked confirmed that they were created compliantly.

The distributor is responsible for creating the ICP for the point of connection for an embedded network to its parent network. There have been no new embedded networks created during the audit period.

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. Five new connection applications of the 346 created during the audit period were checked from the point of application through to when the ICP was created. These were selected using the typical characteristic methodology to confirm the process and controls worked in practice.

Audit commentary

ICP requests are received directly from customers, or their agents via the submission of a Network Connection Application Form (NCA). If engineering work is not required, the ICP is approved immediately and the ICP is created. If engineering work is required, the applicant is notified and the ICP is created at the completion of this work.

The sample checked found all were created within three days. Network Tasman have reporting in place to monitor and ensure compliance is met.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The new connection process for populating all required registry fields was examined. The list file was examined for all ICPs created during the audit period.

Audit commentary

The process for updating the registry is automated for all fields. 378 ICPs were created during the audit period. Validation occurs within the database to ensure mandatory fields are populated. All had the correct information populated as required by this clause. Compliance is confirmed.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process was examined. The event detail report for the period from July 2016 through to June 2017 was examined.

Audit commentary

I confirmed that the registry was updated prior to energisation for all ICPs created during the audit period. Registry updates occur every 15 minutes.

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

The distributor must provide the information specified in sub-clause (1)(p) to the registry no later than 10 business days after the date on which the ICP is initially energised.

Audit observation

The process for populating of the initial energisation date was examined. The event detail report for the period from July 2016 through to June 2017 was examined. All ICPs updated greater than ten business days of the initial energisation date were examined.

Audit commentary

461 initial energisation date events were identified in the event detail report. These were all updated with an event date of the same day as the update date. This is not the correct effective date to use as per the date dictionary description from the registry:

The Event Date defines the date from which the attribute values of the event should apply. There is no end date. The state defined by the attribute values of an event for an ICP continues until a new event of the same type supersedes it. By convention, all events are deemed to occur at 0:00:00 on the day of the Event Date and to end at 23:59:59 on the day before the Event Date of the next event of the same type.

The update to the registry is system driven with the effective date for these updates, not taken from the initial energisation date hence the issue. Network Tasman have a request lodged with IT to fix this issue. This is recorded as non-compliance.

I then checked the update date against the initial energisation date and found that 472 (96%) of these were updated within ten business days. The remaining 18 ICPs were updated greater than ten business days of the initial energisation date. These were checked on the registry and found none were the updating of the initial energisation date, but related to price or address changes and were therefore compliant.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 01-Jul-16 To: 30-Jun-17	The event date populated to the registry for IED updates is not the IED date. Potential impact: None Actual impact: None Audit history: None Controls: Moderate Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are moderate as the non-compliance is system driven. All IEDs were updated within 10 days of becoming active. There is no impact on settlement, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Same day events can be updated automatically via the current system, with a manual work around for registry updates for non same day events		13/09/17	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
NTL's IT department to investigate issue further and resolve problem		13/09/17	

3.6. Connection of ICPs (Clause 11.17)

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The new connection process was examined. The event detail report for the period from July 2016 through to June 2017 was examined. The list file was examined to confirm that all ICPs at the status of “ready” have a trader nominated.

Audit commentary

Contractors are engaged by traders, who are also approved by Network Tasman, to conduct connection and energisation. The new connections process includes a “trader responsibility” step. Some traders provide an “acceptance” email back to Network Tasman which is passed on to the livening agent. Other traders have a blanket agreement in place with Network Tasman and they provide a service request directly to the livening agent.

For all ICPs examined energisation occurred after acceptance by a trader. The event detail report for July 2016 through to June 2017 was examined and all ICPs were created at “Ready” on the registry within three business days.

Audit outcome

Compliant

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

Code reference

Clause 10.28(7)

Code related audit information

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

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

Audit observation

The new connection process was examined.

Audit commentary

Network Tasman will not electrically connect an ICP without a reconciliation participant accepting responsibility. Examination of the list file confirmed this.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

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

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

Audit observation

The new connection process was examined in relation to ICPs that are not also NSPs to Network Tasman's network. All ICPs created during the audit period were checked for a proposed trader on the list file as at July 25th, 2017.

Audit commentary

Network Tasman'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. The list file confirmed that all ICPs at the "Ready" status had a trader nominated.

Audit outcome

Compliant

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

Code reference

Clause 10.30(2)

Code related audit information

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

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

Audit observation

The NSP table was examined and found no new NSPs have been created and are not expected to be in the near future.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

xxxxxxxxxxccc where:

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

Audit observation

The process for the creation of ICPs was examined.

Audit commentary

All ICPs are created in the appropriate format. The sample checked confirmed compliance.

Audit outcome

Compliant

3.11. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

The new connection process was examined. The list and event detail files were examined in relation to the use of the “New” status.

Audit commentary

A small number of ICPs are created at “New” and the status is changed to “Ready” once a trader has accepted responsibility for the ICP. Most ICPs are created at “Ready” where the traders have given “blanket” approval that they will take responsibility for any ICP where they are nominated as the proposed trader. ICP 0000054705NT7D7 was the only ICP at the “new” status in the list file. This ICP was checked on the registry and has since been made ready and taken to active compliantly.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

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

Audit observation

The management of ICPS at the “new” and “ready” status was examined. The list file as at 30 June 2017 was examined.

Audit commentary

Network Tasman monitors a report of ICPs at the “New” and “Ready” status. Any record on this report that is older than approximately six months is investigated with the relevant contractor or customer. Some examples on the report were examined and in all cases, Network Tasman could demonstrate knowledge of the reasons the ICPs were still at these statuses. There are no ICPs at “New” or “Ready” for more than 24 months.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

This requirement was discussed and the list file was examined.

Audit commentary

The Cobb generation station has a capacity greater than 10MW and it has a unique loss category code as required by this clause.

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 provide notice to the registry of that change.

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

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

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

Audit observation

The process to manage ICP changes were examined. The event detail report for the audit period from July 2016 through to June 2017 was examined. I used the extreme case methodology examining a sample of ten late updates or less if there were fewer for any change where the initial analysis could not determine the cause.

NSP changes were examined.

Audit commentary

The EDA file for the period from October 2016 through to June 2017 was examined with the following findings:

- 64 ICPs were decommissioned. 24 (38%) of these were updated within three business days. Of the remaining 40 ICPs only two were updated greater than 30 days. These were checked and found:
 - ICP 0000054787NT218 was late due to the Retailer not updating the status to “ready for decommissioning” thereby causing Network Tasman to be late with their update.
 - The correct decommission date for ICP 0000034017NT0A5 was disputed between Contact and Network Tasman. It was physically decommissioned on 19/9/16 but as there was consumption that day Contact set the decommission date for 20/9/16 so they could ensure this consumption was reconciled. Network Tasman always record the physical decommissioning date. This was discussed and the EA was involved. Network Tasman accepted Contact’s date hence the delay in the update.

I checked a further five examples of these delayed updates and found that in all cases the late updates were due to the retailer being late with their update to the registry. This is recorded as non-compliance below.

- 1,028 address events. These were all updated within three days.
- 643 network events. These were all updated within three days.
- 581 price code changes were made. These were all updated within three days.

There have not been any NSP changes made during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of Schedule 11.1 From: 01-Sep-16 To: 30-Jun-17	Registry event updates backdated greater than three days Potential impact: None Actual impact: None Audit history: Twice Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are strong and updates were made as soon as possible. There is no impact on settlement, therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Controls are strong, and errors have been a “human” factor		13/09/17	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Additional human resources required to cover key staff involved in these processes. Management advised		13/09/17	

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

Code reference

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

Code related audit information

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

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

Audit observation

The new connection process was examined and is described in detail in **Section 3** above. I ran a concatenate query across the list file supplied to check for NSP mismatches.

Audit commentary

There is no uncertainty regarding NSP and ICP relationships. The GIS is actively used during the new connection process to ensure the correct NSP is notified. The analysis confirmed that all ICPs were connected to the correct NSP. Compliance is confirmed.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

The management of customer queries was examined.

Audit commentary

Network Tasman does receive direct requests for ICP identifiers, and these are provided immediately.

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 manage address accuracy was examined and the list file was analysed. The list file was checked to confirm ICP location addresses are readily locatable.

Audit commentary

The new connections process includes a step where the address is checked for duplication. The “address property name” field on the registry is actively used as an additional measure to ensure compliance with this clause.

Analysis confirmed that all ICPs have street numbers and there were no duplicates.

Audit outcome

Compliant

4.5. ICP de-energisation (Clause 3 Schedule 11.1)

Code reference

Clause 3 Schedule 11.1

Code related audit information

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

Audit observation

This was examined as part of the new connection process and proof of process was checked as part of the sample of new connections examined.

Audit commentary

All new connections require an individual service main for each ICP to be run to the boundary of the property and Network Tasman provides isolation. "As built" plans are reviewed for all new ICPs which provides visibility of this issue. There are some existing ICPs with "shared mains" and these are identified with tags at the isolation point. When any changes occur at these ICPs with shared mains Network Tasman attempts to deal with any problems by offering assistance where it is required.

All ICPs have a "Network Connection Point" (NCP) number, which is printed onto a label that is physically attached to the isolation point. The NCP number is a subset of the ICP identifier. This approach is an excellent way of ensuring the correct identification of ICPs.

Contractors have access to GIS information so there is no risk of inadvertent disconnection.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

- *the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)*
- *the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)*
- *the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)*
- *the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)*
- *the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)*
- *if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):*
 - a) *the unique loss category code assigned to the ICP*
 - b) *the ICP identifier of the ICP*

- c) *the NSP identifier of the NSP to which the ICP is connected*
- d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*
- *if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):*
 - a) *a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity*
 - b) *a blank chargeable capacity if the capacity value can be determined from metering information*
 - c) *the actual chargeable capacity of the ICP in any other case*
- *the distributor installation details for the ICP determined by the price category code assigned to the ICP (if any), which may be placeholder distributor installation details only if the distributor is unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (Clause 7(1)(i) of Schedule 11.1)*
- *the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (Clause 7(1)(j) of Schedule 11.1)*
- *the status of the ICP (Clause 7(1)(k) of Schedule 11.1)*
- *designation of the ICP as "Dedicated" if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under Clause 7(1)(b) of Schedule 11.1, or the ICP is a point of connection between a network and an embedded network (Clause 7(1)(l) of Schedule 11.1)*
- *if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (Clause 7(1)(m) of Schedule 11.1)*
- *if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (Clause 7(1)(n) of Schedule 11.1)*
- *if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):*
 - a) *the nameplate capacity of the generator; and*
 - b) *the fuel type*
 - c) *the initial energisation date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

Audit observation

The new connection and updating of ICP information processes for populating all required registry fields was examined. The list file was examined to check for the population of all required information and its alignment with the trader where appropriate e.g. Distributed generation, unmetered load if known and shared unmetered load. Any variances in relation to the initial energisation date and the active date were checked.

Audit commentary

Distributed Generation

Network Tasman has a well-managed process for managing the approval and connection of distributed generation. If unauthorised connections are found, Network Tasman takes immediate action, which can include disconnection for safety reasons.

ICP 0000020535NT611 is recorded with the PV1 profile recorded. As was recorded in the previous two audits Network Tasman have investigated this site and there has been no application for distributed generation. The site has had the incorrect metering installed (this is a remote site and the technician inadvertently took the incorrect metering to site and installed this, therefore the metering record is correct, but there is no distributed generation installed).

A check of the PR255 against the list file identified 17 ICPs where the metering indicates there is an injection channel but Network Tasman has no distributed generation recorded. These were analysed and found 14 have since had distributed generation installations completed and have been updated on the registry. Network Tasman has received no applications for the remaining three ICPs. The table below summarises the details for these ICPs:

ICP	Trader	Profile	Injection Channel	Comments
0000020535NT611	Contact	Includes PV1	Yes	This is the same ICP as discussed above. No DG is present.
0000033266NT7DA	Meridian	HHR	Yes	No application received. Network Tasman have liaised with Meridian and found that the channel was incorrectly recorded as I when it should have been X and this has now been corrected.
0000000502NT5EE	Cold Storage Nelson	HHR	Yes	No application has been received and Cold Storage Nelson have no DG indicated. Network Tasman are investigating this with Cold Storage Nelson to determine if the channel indicator is incorrect on the meter.

Initial Energisation Date

The initial energisation date is advised to Network Tasman daily from the approved field contractors. Upon receipt of this information Network Tasman populates the initial energisation date in the database and pushes it to the registry. 461 ICPs have had the initial energisation date updated between July 2016 and June 2017. The list file found all ICPs energised during the audit period had an initial energisation date except one. ICP 0000054327NT606 had an active date of 4/5/17 but the initial energisation date hasn't been populated yet. This was checked during the site audit and was found to have been missed and has now been updated. The retailers active date was incorrect and this has since been corrected to 2/5/17. This is part of the BAU registry discrepancy report but this one wasn't picked up. Network Tasman are investigating this with IT. The missing initial energisation date is recorded as non-compliance below.

I checked the accuracy of the initial energisation date against the active date and meter certification date from the EDA for all ICPs made active and found:

- 461 ICPs with both the initial energisation date populated and active date. Of these
 - 455 (99%) had matching dates
 - Six ICPs had a different active date. Of these:
 - Two have since been corrected by CTCT and now match Network Tasman's initial energisation date.
 - The remaining four were checked and found Network Tasman's date was correct and they have advised the relevant retailer to correct their active date.

Unmetered Load

Network Tasman has robust processes in place for the management of unmetered load. All unmetered load ICPs have had their capacity and “on time” confirmed through a field audit. Network Tasman are required to update these details “if known”.

Network Tasman uses the recommended format for updating the registry. I compared the daily kWh figures based on Network Tasman’s data to the traders’ daily unmetered kWh figures and found that 195 (93%) of 209 ICPs matched. Six of the 11 ICPs where the load did not match were Distributed unmetered load ICPs and will be checked via street light audits. The remaining five ICPs were examined and the table below contains the details:

ICP	Trader	Network Tasman Daily kWh	Retailer Daily kWh	Notes
0000030908NTA5F	TRUS	0.528	5.5	Trustpower updated the UML details in May 2017 but didn't advise Network Tasman. This has now been corrected.
0000036536NT7F0	CTCT	22.896	20.999	This is for Waimea Village. There has been a recent change from 70W HPS to 18W LEDs. This is DUML but has no database. This is soon to be audited by Contact.
0000037743NT445	CTCT	1.196	12.450	This is for Eldercare Village. There has been a recent change from 70W HPS to 18W LEDs. Contact has not updated the registry with this change. Network Tasman's load is likely to be correct.
0000042102NT13A	GENE	1.3	1.035	Network Tasman's have done a site visit and confirmed the light as a 80W MV. Genesis have this recorded as a 90W LPS hence the difference. Network Tasman's load is correct.
0000045727NT346	PSNZ	0.115	0.265	The contractor advised Network Tasman of a light change from HPS to LED. The contractor advised Network Tasman a 10W LED had been fitted. The retailer has a 23W LED recorded. Network Tasman's load is correct.

The incorrect load, that has now been corrected, is recorded as non-compliance below.

There are three ICPs where traders have populated the daily unmetered kWh field and checked the “unmetered” field on the registry, but Network Tasman has no load recorded and this was confirmed during the site audit. The table below contains the details.

ICP	Trader	Daily kWh	Notes
0000002737NT61E	CTCT	1.035	Network Tasman have physically decommissioned this light and updated the registry accordingly.
0000039810NT742	OPHL	2	Unmetered load was removed in 2013.
0000051570NT2E2	CTCT	1	Metered connection, no evidence of unmetered load.

Any new unmetered load connections are actively discouraged and no new unmetered loads have been connected during the audit period.

It was noted in the 2008 audit that Network Tasman's substation local services are unmetered and do not have ICPs. This volume is not reconciled and therefore becomes part of "non technical losses". This particular point is not part of the scope of this audit; however, as has been recorded in previous audits, it is an issue that may need to be addressed at some point in the future at an industry wide level to ensure consistency in the way this type of load is managed.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: 7 (1) (m)&(p) of Schedule 11.1 From: 01-May-17 To: 14-Aug-17	1 with missing initial energisation date. 1 ICP with incorrect UML details. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The missing IED date is one out of 461 populated during the audit period and there was one ICP with incorrect UML details out of 242. These are exceptions and controls will mitigate risk most of the time hence the rating of moderate. The audit risk rating is low as there is a potential minor impact on reconciliation if the ICP had switched with an incorrect UML.		
Actions taken to resolve the issue		Completion date	Remedial action status
Correction to the registry was made immediately upon identification of non-compliance.		13/09/17	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
A new automated discrepancy query should identify non compliance errors such as these, immediately in future		13/09/17	

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

The new connection process was examined in detail.

Audit commentary

The price category and chargeable capacity (if any) are known at the time of the ICP being created therefore these are recorded correctly in the first instance. Examination of the backdated price events found none related to new connections.

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

Network Tasman do not populate GPS co-ordinates but they do intend to in the future. They understand the requirements of this clause, but as they are not yet doing this there was nothing to evaluate.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The management of ICPs in relation to the use of the “ready” status was examined. The list file and event detail report for October 2016 to June 2017 were examined in relation to the use of the “ready” status.

Audit commentary

As noted in Section 3.2, ICP requests come directly from customers or their agents. Some traders have provided blanket approval ICPs to be created at “Ready”. For other traders ICPs are created at “New” and changed to “Ready” once the trader has provided confirmation of their acceptance by an email to Network Tasman, or through the provision of a service request to the livening agent which is then forwarded to Network Tasman.

The price category field in Network Tasman’s ICP database contains a “drop down” list, which ensures each ICP can only have a single price category.

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 management of ICPs in relation to the use of the “distributor” status was examined. The list file and event detail report for the period from July 2016 to June 2017 were examined in relation to the use of the “distributor” status.

Audit commentary

Network Tasman has eight shared unmetered load parent ICPs that have an ICP status of “Distributor”. There have been no Distributor ICPs created during the audit period.

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 management of ICPs in relation to the use of the “decommissioned” status was examined. The list file and event detail report for the period from July 2016 to June 2017 were examined in relation to the use of the “decommissioned” status. The one ICP at pending decommission was checked.

Audit commentary

Network Tasman manages ICP decommissioning and the process is well documented with strong controls in place. Customers or their agents make all decommissioning requests directly to Network Tasman on the same NCA form as used for new connections, which includes approval from the customer. An approved contractor then completely removes the service connection and metering. While onsite the contractor phones Network Tasman to confirm the physical decommission has been carried out. The NCA form is completed along with an “as built” plan, which details exactly what has physically occurred on site. The paperwork is required to be back with Network Tasman within two days. The NCP label is also returned, and a check occurs to ensure the correct ICP has been decommissioned. Once the physical work is complete, notification is made to the relevant trader to change the ICP status to “Ready for decommissioning” (1,6), so that Network Tasman can change the status to “Decommissioned” (003). Network Tasman monitor ICPs at the 1,6 status to ensure the process is being completed in a timely manner. Network Tasman’s list file shows that there was one ICP at this status at the time of the audit analysis. Contact have moved ICP 0000031793NTCC7 to this status but no request has been received from the customer to decommission this ICP. It is in a rural location and if Network Tasman were to decommission this supply the customer would be liable for a large cost to reinstate the supply. It appears that Contact have this ICP at the incorrect status.

The timeliness of updates to the registry is detailed in **section 4.1** above.

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 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

Network Tasman has not created any new price category codes during the audit period.

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

The loss category code table on the registry was examined.

Audit commentary

Network Tasman has not created any new loss factors during the audit period.

Audit outcome

Not applicable

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

The loss category code table on the registry was examined.

Audit commentary

Network Tasman has not changed any loss factors during the audit period.

Audit outcome

Not applicable

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

If the distributor is creating or decommissioning an NSP that is an interconnection point between two local networks, the distributor must notify the reconciliation manager of the creation or decommissioning.

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

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

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

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

Audit observation

The NSP table on the registry was examined. No NSPs were created or decommissioned during the audit period, therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table on the registry was examined. No NSPs were created or decommissioned during the audit period therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

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

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

Audit observation

The NSP table on the registry was examined. No new balancing areas were created during the audit period, therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table on the registry was examined. No new NSPs were created during the audit period, therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The NSP table on the registry was examined. No balancing areas were changed during the audit period, therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table on the registry was examined. Network Tasman has not had any ICPs that have changed to become an NSP during the audit period, therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

Network Tasman has not acquired any networks therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

Network Tasman is not responsible for any metering installations in accordance with this clause.

Audit commentary

Not applicable

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

The NSP table on the registry was examined. No new NSPs were created during the audit period, therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

Network Tasman has not acquired any networks therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Clause 10.30(1)

Code related audit information

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

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

Audit observation

Network Tasman has not created any new embedded networks, therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

6.12. Change of MEP for embedded network gate meter (Clause 10.22(1)(b))**Code reference**

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The NSP supply point table was examined and found no changes to any MEPs had occurred during the audit period.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

Network Tasman has not acquired any networks therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

Network Tasman has not acquired any networks therefore this was not assessed as part of this audit.

Audit commentary

Not applicable

Audit outcome

Not applicable

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

The distributor must notify the registry and each trader responsible for the ICPs across which the unmetered load is shared of the ICP identifiers of those ICPs.

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

Audit observation

The list file was examined and the streetlight audits of the network were assessed.

Audit commentary

Network Tasman has eight shared unmetered load “distributor only” ICPs. No new shared unmetered load have been connected or identified during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

I checked the accuracy of the daily unmetered kWh for the 37 ICPs with shared unmetered load.

Audit commentary

All ICPs had the correct load and this load matched to the retailers recorded load.

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

The “Guidelines on the calculation and the use of loss factors for reconciliation purposes v2.1” is still under review by the Loss Factor Review Panel. The calculation of loss factors was reviewed.

Audit commentary

UFE is not calculated. It was last reviewed 7-8 years ago. Through discussion it was noted that losses are going down due to network reconfiguration. I am unable to determine if the current loss factors applied are correct and accurate.

Audit outcome

Unable to determine

CONCLUSION

Network Tasman place a high level of importance on compliance and they strive at every opportunity to be compliant. This audit found three minor non-compliances and makes no recommendations. They have robust processes in place to monitor and manage their code requirements and in some areas go beyond their requirements. For example, the checking of inactive ICPs switching between retailers that are not moved to active within an expected timeframe. I thank Wendy for her hard work and continued dedication to achieve such a high level of compliance.

The indicative audit frequency table indicates the next audit should be in 24 months and I agree with this recommendation.

PARTICIPANT RESPONSE

Network Network Tasman Limited welcomed the opportunity to have Electricity Authority approved auditor Rebecca Elliot – Veritek conduct the 2017 auditing of our systems, processes and compliance with the Electricity Industry Participation Codes.

Prior to the audit, Rebecca - Veritek provided Network Tasman Limited with a comprehensive “Audit Plan”, outlining time frames and the scope of the audit, and an “Audit Process Step Through” document, which highlighted the new 1 June 2017 Audit Regime. Network Tasman found both of these documents very helpful.

During the 2016 to 2017 audit period, Network Tasman Limited went through a company restructure which reduced human resources for personnel involved in the ICP processes. This has had an impact on the proficiencies of our processes.

Network Tasman Limited accept the issues of non compliance identified by Rebecca – Veritek and undertake the challenge to achieve a higher result going forward.

Once again, we wish to acknowledge the professional, and approachable manner in which Rebecca – Veritek conducted the audit process. We look forward to working with her in the future.