

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**



For

**SMARTNET LIMITED (SMRT)**

Prepared by: Rebecca Elliot

Date audit commenced: 24 July 2017

Date audit report completed: 18 October 2017

Audit report due date: 09-Oct-17

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## EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Smart Net Limited - (SMRT)** to encompass the Electricity Industry Participation Code requirement for an annual audit, in accordance with clause 11.10 of part 11

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

SMRT have eight embedded networks. This is an increase of four embedded networks over the audit period.

Most of SMRT's compliance is reliant on the compliance of TEG & Associates (TEG), as a contractor to SMRT. This contractor's audit report is submitted along with this report.

This audit found seven non-compliances and makes no recommendations. Four of these relate to four ICPs that were updated after energisation. The frequency matrix indicates the next audit be due in 12 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 ICP Information to the registry	3.4	7(2) of Schedule 11.1	4 ICPs created after electricity has commenced trading.	Moderate	None	2	Identified
Timeliness of Provision of Initial Energisation Date	3.5	7(2A) of Schedule 11.1	8 ICPs Initial energisation dates updated late.	Moderate	Twice	2	Identified
Connection of ICPs	3.6	11.17	4 ICPs electrically connected prior to having a "trader" nominated on the registry	Moderate	None	2	Identified
Electrical connection of ICPs	3.7	10.28(7)	4 ICPs electrically connected prior to retailer accepting responsibility and therefore before the request to electrically connect has been given.	Moderate	None	2	Identified
Electrical connection of ICP that is not an NSP	3.8	10.31	4 ICPs electrically connected prior to retailer accepting responsibility and	Moderate	None	2	Identified

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			therefore before the request to electrically connect has been given.				
Electrical connection of NSP that is not a point of connection to the grid	3.9	10.30(2)	MEP and meter certification not provided to the RM within 5 business days of electrical connection for 2 NSPs.	Moderate	None	2	Identified
Changes to registry information	4.1	8 Schedule 11.1	21 late updates to the registry.	Moderate	None	2	Identified
Future Risk Rating						14	
Next indicative audit frequency						12 months	

## RECOMMENDATIONS

Subject	Section	Description	Recommendation
		Nil	

## ISSUES

Subject	Section	Description	Issue
		Nil	

## 1. ADMINISTRATIVE

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

#### Code reference

*Section 11 of Electricity Industry Act 2010.*

#### Code related audit information

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

#### Audit observation

The Authority website was checked to determine whether SMRT has any Code exemptions in place.

#### Audit commentary

Review of exemptions on the Authority website confirmed that there are no exemptions in place for SMRT.

### 1.2. Structure of Organisation

Not applicable

### 1.3. Persons involved in this audit

#### Auditor:

Rebecca Elliot

Veritek Limited

Electricity Authority Approved Auditor

Personnel assisting in this audit were:

Name	Title	Company
Nick Oldham	General Manager	Smart Power Limited T/A Energy Select

### 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

TEG carries out SMRT's registry activities and communications in relation to the establishment of new networks.

### Audit commentary

TEG's audit report is submitted along with this report.

## 1.5. Supplier list

TEG carries out SMRT's registry activities and communications in relation to the establishment of new networks.

## 1.6. Hardware and Software

This is covered in TEG's audit report.

## 1.7. Breaches or Breach Allegations

SMRT has not had any breach allegations relevant to this audit recorded by the Electricity Authority.

## 1.8. ICP and NSP Data

Review of the NSP table showed SMRT had the following NSPs:

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
SMRT	BJL0011	129 BEACHLANDS RD AUCKLAND	TAK0331	VECT	BJL0011SMRTE	E	11-07-16	41
SMRT	FTS0011	141 MANNERS ST WELLINGTON	CPK0111	CKHK	FTS0011SMRTE	E	01-10-16	19
SMRT	HCN0011	124 HOBSONVILLE ROAD	HEN0331	UNET	HCN0011SMRTE	E	01-08-15	27
SMRT	MHL0011	MUSEUM HOTEL	CPK0331	CKHK	MHL0011SMRTE	E	01-12-15	42
SMRT	NFC0011	95 CUSTOMHOUSE QUAY WELLINGTON	WIL0331	CKHK	NFC0011SMRTE	E	01-02-16	21
SMRT	OPS0011	259 MANGERE STATION AUCKLAND	MNG1101	VECT	OPS0011SMRTE	E	01-10-16	4
SMRT	ORA0011	105 ORAHA ROAD KUMEU	HEN0331	UNET	ORA0011SMRTE	E	01-04-17	0
SMRT	TFQ0011	100 TAUPO QUAY WANGANUI	WGN0331	POCO	TFQ0011SMRTE	E	01-07-17	0

Status	Number of ICPs 2017	Number of ICPs 2016	Number of ICPs 2015
Distributor	0	0	0
New	0	0	0
Ready	1	1	1
Active (2,0)	154	88	1
Inactive- new connection in progress (1,12)	3	0	0
Inactive – vacant (1,4)	2	1	0
Inactive- reconciled elsewhere (1,5)	0	0	0
Inactive – AMI remote disconnection (1,7)	0	0	0
Inactive – -de-energised due to meter disconnected (1,9)	0	0	0
Inactive – - at pole fuse(1,8)	0	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)	0	0	0
Decommissioned (3)	1	0	0

### 1.9. Authorisation Received

SMRT 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 SMRT, to encompass the Electricity Industry Participation Code requirement for an annual audit, in accordance with clause 11.10 of part 11.

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

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

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



The audit report for TEG & Associates will be submitted with this report.

#### 1.11. Summary of previous audit

SMRT provided a copy of their previous audit conducted in August 2016 by Rebecca Elliot of Veritek Limited. This report recorded two non-compliances. The table below records their current status. No recommendations were made.

#### Table of Non-Compliance

Subject	Section	Clause	Non compliance	Status
ICP Location Address	3.2	7(1)(a) of schedule 11.1	Incorrect location address for two ICPs.	Cleared
Date of ICP Initial Energisation Date	3.5	7(1)(p) & (2A) of schedule 11.1.	Late population of the initial energisation date.	Still existing

## 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

The management of this process is discussed in the TEG contractor report. I also examined a registry list file to confirm compliance.

#### Audit commentary

Compliance is recorded for TEG. Examination of the list file confirmed compliance.

#### 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

The process to find and correct incorrect information was discussed. The list file and event detail report for the audit period was examined to confirm all the registry information was complete and accurate.

#### Audit commentary

SMRT advises that these matters are handled as and if they arise by advising TEG to make any changes necessary. Examination of the list file confirmed compliance.

#### 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 management of this process is discussed in the TEG contractor report. I also examined a registry list file to confirm compliance.

##### Audit commentary

Compliance is recorded for TEG. Examination of the list file confirmed compliance.

##### 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 management of this process is discussed in the TEG contractor report. I also examined a registry list file to confirm compliance.

##### Audit commentary

Compliance is recorded for TEG. Examination of the list file confirmed compliance.

##### 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 is discussed in the TEG contractor report. Examination of the registry list file found 30 new ICPs have been created during the audit period.

#### **Audit commentary**

Compliance is confirmed in the TEG contractor report. All the information was provided as required by this clause for the 30 new ICPs created during the audit period.

#### **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 is discussed in the TEG contractor report. The event detail file was checked for the period from August 2016 through to March 2017 to determine the timeliness of the provision of ICP information.

#### **Audit commentary**

This process is discussed in the TEG contractor report. Analysis of the event detail report from August 2016 through to March 2017 found all were created as soon as practicable and prior to energisation except for four ICPs. Two were created with an incorrect start date so had to be corrected to an earlier start date. These corrections occurred after energisation and therefore these ICPs were not created before electricity commenced trading. One was created at “new” not “ready”. This was due to human error and one was created after electricity had commenced trading.

#### **Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: 7(2) of Schedule 11.1 From: 12-Aug-16 To: 10-Sep-16	4 ICPs created after electricity has commenced trading. Potential impact: None Actual impact: None Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as the process is largely manual hence errors can occur but controls are in place to mitigate risk most of the time. The audit risk rating is low as only 4 ICPs were not updated prior to trading occurring.		
Actions taken to resolve the issue		Completion date	Remedial action status
Corrected upon discovery		Sept 2016	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Ensure correct date is used when creating ICP's		Ongoing	

### 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 new connection process for populating all required registry fields was examined. The event detail report for the period from August 2016 through to March 2017 was examined.

#### Audit commentary

The process for the updating of the registry is discussed in the TEG agent report and controls are moderate. Analysis of the event detail report identified the population of the initial energisation date for 12 ICPs. Six were updated within the required ten business days. The remaining six were updated late.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1  From: 01-Oct-16 To: 07-Feb-17	6 ICPs Initial energisation dates updated late.  Potential impact: None  Actual impact: None  Audit history: Twice  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate - additional checks have been added since these occurred.  This has no direct impact on submission hence the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Date populated as soon as provided			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Contractor has additional checks to ensure correct energization date.		Mar 2017	

### 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 is discussed in the TEG contractor report. The event detail report for the period from August 2016 through to March 2017 was examined. The list file was examined to confirm that all ICPs at the status of “ready” have a trader nominated.

#### Audit commentary

The process for the updating of the registry is discussed in the TEG agent report and controls are moderate. The one ICP at “Ready” in the list file has a proposed trader recorded. All of the ICPs

connected during the audit period had a proposed trader recorded except for the four ICPs detailed in **Section 3.5**.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: 11.17  From: 12-Aug-16 To: 10-Sep-16	4 ICPs electrically connected prior to having a “trader” nominated on the registry.  Potential impact: None  Actual impact: None  Audit history: None  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as the process is largely manual hence errors can occur but controls are in place mitigate risk most of the time.  The audit risk rating is low as only 4 ICPs were electrically connected prior to having a “trader” nominated on the registry.		
Actions taken to resolve the issue		Completion date	Remedial action status
Corrected upon discovery		Sept 2016	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Ensure correct date is used when creating ICP's		Ongoing	

### 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 is discussed in the TEG contractor report. The new connection process for populating all required registry fields was examined. The event detail report for the period from August 2016 through to March 2017 was examined.

### Audit commentary

The process for the updating of the registry is discussed in the TEG agent report and controls are moderate. There were four ICPs that were updated to active after “electrical connection” had occurred, and therefore before a trader was recorded in the registry as accepting responsibility and giving authorisation for electrical connection.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.7 With: 10.28(7)  From: 12-Aug-16 To: 10-Sep-16	4 ICPs electrically connected prior to retailer accepting responsibility and therefore before the request to electrically connect has been given.  Potential impact: None  Actual impact: None  Audit history:  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as the process is largely manual hence errors can occur, but controls are in place mitigate risk most of the time.  The audit risk rating is low as only 4 ICPs were electrically connected prior to retailer accepting responsibility.		
Actions taken to resolve the issue		Completion date	Remedial action status
Corrected upon discovery		Sept 2016	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Ensure correct date is used when creating ICP's		Ongoing	

### 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 for populating all required registry fields was examined. The event detail report for the period from August 2016 through to March 2017 was examined.

### Audit commentary

The process for the updating of the registry is discussed in the TEG agent report and controls are moderate. The new connections process is designed to include a “retailer responsibility” step. As identified in **Section 3.2**, four ICPs were updated to active after “electrical connection” had occurred and therefore before a trader was recorded in the registry as accepting responsibility and giving authorisation for electrical connection.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.8 With: 10.31  From: 12-Aug-16 To: 10-Sep-16	4 ICPs electrically connected prior to retailer accepting responsibility and therefore before the request to electrically connect has been given.  Potential impact: None  Actual impact: None  Audit history: None  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as the process is largely manual hence errors can occur, but controls are in place mitigate risk most of the time.  The audit risk rating is low as only 4 ICPs were electrically connected prior to retailer accepting responsibility.		
Actions taken to resolve the issue		Completion date	Remedial action status
Corrected upon discovery		Sept 2016	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Ensure correct date is used when creating ICP's		Ongoing	

### 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 checked for new NSPs. The process for the notification to the Reconciliation Manager was examined.

#### Audit commentary

SMRT have been working to clause 10.25(2) which requires that the Distributor to advise the Reconciliation Manager of the same details as above within 20 days of energisation. I note that this was also what was being audited to previously. There have been four new NSPs connected during the audit period but only two have metering installed. The details of the two energised NSP notifications are recorded in **section 6.9** and neither of them have been updated within five business days of electrical connection.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.9 With: 10.30(2)  From: 10-Oct-16 To: 30-Jun-17	MEP and meter certification not provided to the RM within 5 business days of electrical connection for 2 NSPs.  Potential impact: None  Actual impact: None  Audit history: None  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as TEG is reliant on the MEP to provide this information and this is sometimes slow.  The audit risk rating is low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Reliant on MEP to provide timely notification of metering information			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Follow up MEP more closely for timely Metering information on Gate metering.		Ongoing	

### 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 ICP creation process is discussed in the TEG contractor report. Examination of the registry list file found 30 new ICPs have been created during the audit period.

#### Audit commentary

Compliance is confirmed in the TEG contractor report. All ICPs were created compliantly.

#### 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 ICP creation process is discussed in the TEG contractor report. Examination of the registry list file found 30 ICPs have been created during the audit period.

#### Audit commentary

Compliance is confirmed in the TEG contractor report. The “new” status is not used in the new connection process.

#### 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**

Monitoring of new and ready status is discussed in the TEG contractor report. The list file was examined.

#### **Audit commentary**

Compliance is recorded in the TEG contractor report. An examination of the list file found one ICP at the “Ready” status. It was created on 29/5/17.

#### **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**

The list file was examined. SMRT does not supply any embedded generators; compliance was not assessed.

#### **Audit commentary**

Not applicable

#### **Audit outcome**

Not applicable

## 4. MAINTENANCE OF REGISTRY INFORMATION

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

#### Code reference

*Clause 8 Schedule 11.1*

#### Code related audit information

*If information held by the registry that relates to an ICP for which the distributor is responsible changes, the distributor must 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 management of this process is discussed in the TEG contractor report. The event detail file was checked for the period from August 2016 through to March 2017 to determine the timeliness of changes to registry information.

#### Audit commentary

Analysis of the event detail report found:

Type of change	Total changes	Quantity within 3 days	Quantity over 3 days	Average days
Address	55	55	0	2.8
Price category code	40	40	0	1.9
Network	59	39	20	2.1

The 20 late network updates were all one day late and related to the changing of the reconciliation type from GN to EN.

I note that one ICP has been decommissioned but is outside of the event detail report provided. This was advised to SMRT late by the trader and has been backdated to the correct decommission date.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 Schedule 11.1  From: 01-Oct-16 To: 10-Apr-17	21 late updates to the registry.  Potential impact: None  Actual impact: None  Audit history: None  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate as the process is largely manual hence errors can occur, but controls are in place to mitigate risk most of the time.  The audit risk rating is low the late changes are small in volume.		
Actions taken to resolve the issue		Completion date	Remedial action status
Closer monitoring of information updates		Nov 16	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Closer monitoring of updates		Ongoing	

#### 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

Due to the nature of embedded networks there is no uncertainty regarding ICP and NSP relationships. I checked the list file to confirm compliance.

##### Audit commentary

Any changes made by the parent network will be picked up through registry notifications from any changes made to the LE ICP. No changes have occurred during the audit period.

##### 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

SMRT does not receive direct requests for ICP identifiers, but if they were received these would be provided immediately.

##### Audit outcome

Not applicable

#### 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 in the TEG contractor report. The list file was analysed.

##### Audit commentary

A check of SMRT's list file found that all ICPs have unique addresses with sufficient information to allow the ICPs to be readily located.

##### 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

The management of this process was examined.

### Audit commentary

SMRT manage the physical connection process on the embedded networks they manage and confirm all ICPs comply with this clause. They have a good understanding of this requirement and as all of the networks have been created post this requirement, this scenario is unlikely to arise.

### 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 management of this process is discussed in the TEG contractor report.

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.

#### **Audit commentary**

Compliance is recorded in the TEG contractor report. Examination of the list file confirmed that ICP information had been populated correctly. There has been no unmetered load or embedded generation added during the audit period.

#### **Audit outcome**

Compliant

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

##### **Code reference**

*Clause 7(3) Schedule 11.1*

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

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

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

#### **Audit observation**

The management of this process is discussed in the TEG contractor report. The list file was examined to determine compliance with this clause.

#### **Audit commentary**

Compliance is recorded in the TEG contractor report. Examination of the list file found 30 ICPs created during the audit period. All the required details are provided at the time of the ICP creation therefore this information is provided as required by this clause.

#### **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**

SMRT do not populate GPS co-ordinates on the registry; compliance was not assessed.

#### **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 this process is discussed in the TEG contractor report. Examination of the registry list file found 30 ICPs were created during the audit period.

### Audit commentary

Compliance is recorded in the TEG contractor report. 30 ICPs were created at “Ready” with a nominated retailer and single price code category code as required by this clause.

### Audit outcome

Compliant

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

### Code reference

*Clause 16 Schedule 11.1*

### Code related audit information

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

### Audit observation

It is unlikely that SMRT will deal with any ICPs with a “Distributor” status because they do not deal with shared unmetered load, and there are no embedded networks connected to existing embedded networks.

### Audit commentary

Not applicable

### Audit outcome

Not applicable

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

### Code reference

*Clause 20 Schedule 11.1*

### Code related audit information

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

*Decommissioning only occurs when:*

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

### Audit observation

The management of this process is discussed in the TEG contractor report. The list file was examined in relation to the use of the decommissioned status.

#### **Audit commentary**

Compliance is recorded in the TEG contractor report. One ICP was decommissioned during the audit period and this is discussed in **Section 4.1**.

#### **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**

SMRT has created five new price category codes during the audit period. These all relate to new embedded networks and were notified within the required timeframe.

#### **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

SMRT has created three new loss category codes during the audit period. These all relate to new embedded networks and were notified within the required timeframe.

#### 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 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

SMRT has not updated or replaced any loss factor codes during the audit period. There was only one loss factor per category code per month.

#### 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 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 management of this process is discussed in the TEG contractor report. The NSP table on the registry was examined. There have been four embedded networks created during the audit period and none were decommissioned.

#### Audit commentary

Compliance is recorded in the TEG contractor report. The correct information and notifications were provided in accordance with this clause.

#### 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 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 management of this process is discussed in the TEG contractor report and the relevant notifications were provided. The NSP table on the registry was examined.

### **Audit commentary**

Compliance is recorded in the TEG contractor report. The correct information and notifications were provided within the required timeframe.

### **Audit outcome**

Compliant

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

### **Code reference**

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

### **Code related audit information**

*If a participant has notified the creation of an NSP on the distributor's network, the distributor must 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 management of this process is discussed in the TEG contractor report and the relevant notifications were provided. The NSP table on the registry was examined.

### **Audit commentary**

Compliance is recorded in the TEG contractor report. The correct information was provided in accordance with this clause.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 26(4) Schedule 11.1*

### **Code related audit information**

*If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must 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 management of this process is discussed in the TEG contractor report and the relevant notifications were provided. The NSP table on the registry was examined.

#### **Audit commentary**

Compliance is recorded in the TEG contractor report. The correct information was provided in accordance with this clause.

#### **Audit outcome**

Compliant

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

#### **Code reference**

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

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

*The distributor must 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 compliance was not assessed.

#### **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. No ICPs became NSPs during the audit period; therefore compliance was not assessed.

#### **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

The management of this process is discussed in the TEG contractor report and the relevant notifications were provided.

### Audit commentary

Compliance is recorded in the TEG contractor report. The DS010 file with the appropriate notifications were sent within the appropriate timeframe.

### Audit outcome

Compliant

## 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

The management of this process is discussed in the TEG contractor report. The NSP supply point table was examined.

### Audit commentary

Compliance is recorded in the TEG contractor report. The NSP supply point table was reviewed:

Distributor	NSP POC	Description	MEP	Certification Expiry
SMRT	BJL0011	129 BEACHLANDS RD AUCKLAND	AMCI	10/08/2026
SMRT	HCN0011	124 HOBSONVILLE ROAD	AMCI	31/7/2020
SMRT	MHL0011	MUSEUM HOTEL	AMCI	16/4/2022
SMRT	NFC0011	95 CUSTOMHOUSE QUAY WELLINGTON	AMCI	19/11/2025

No NSP metering has been recertified during the audit period.

### Audit outcome

Compliant

## 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 management of this process is discussed in the TEG contractor report. The NSP supply point table was examined.

### Audit commentary

Compliance is recorded in the TEG report.

NSP	Description	Start Date	Metering Info Provided
FTS0011	141 MANNERS ST WELLINGTON	1/10/2016	19/10/2016
OPS0011	259 MANGERE STATION AUCKLAND	1/10/2016	12/10/2016
ORA0011	105 ORAHA ROAD KUMEU	1/04/2017	Not energised. No metering in place as yet.
TFQ0011	100 TAUPO QUAY WANGANUI	1/07/17	20/06/2023

The Reconciliation Manager was advised within the required timeframe for FTS0011 and OPS0011. The process for updating the Reconciliation Manager changed in May 2017. The timeliness of notification could not be confirmed for TFQ0011 because no audit trail is available on the Reconciliation Manager portal. I have raised one issue in relation the process to notify updates to metering for NSPs to the Reconciliation Manager.

Description	Issue	Remedial action
Responsibility for metering information for NSP that is not a POC to the grid	No audit trail for NSP metering updates via the RM portal	No audit trail for NSP metering updates via the RM portal

### Audit outcome

Compliant

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

### Code reference

*Clause 29 Schedule 11.1*

### Code related audit information

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

The management of this process is discussed in the TEG contractor report. The notifications for FTS0011 were examined.

#### **Audit commentary**

Compliance is confirmed in the TEG report. The notifications were provided within the required timeframe for FTS0011.

#### **Audit outcome**

Compliant

### **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 participant 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**

The management of this process was examined and the NSP supply point table was examined.

#### **Audit commentary**

SMRT is also the Reconciliation participant, and therefore no permission is required.

#### **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 management of this process is discussed in the TEG contractor report. The NSP supply point table was examined.

#### **Audit commentary**

Compliance is confirmed in the TEG report. There have been no changes of MEP during the audit period.

### Audit outcome

Compliant

## 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

The management of this process is discussed in the TEG contractor report and the consents for the transfer of ICPs were reviewed for the new embedded network.

### Audit commentary

Compliance is confirmed in the TEG report. All required consents were provided.

### Audit outcome

Compliant

## 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

The management of this process is discussed in the TEG contractor report and the DS-010 file was examined.

### Audit commentary

Compliance is confirmed in the TEG report. The ICP transfer included all ICPs on the embedded network.

### Audit outcome

Compliant

## 7. MAINTENANCE OF SHARED UNMETERED LOAD

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

#### Code reference

*Clause 11.14(2) and (4)*

#### Code related audit information

*The distributor must 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

Examination of the registry list confirmed there is no shared unmetered load.

#### Audit commentary

Not applicable

#### Audit outcome

Not applicable

### 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

Examination of the registry list confirmed there is no shared unmetered load.

#### Audit commentary

Not applicable

#### Audit outcome

Not applicable

## 8. CALCULATION OF LOSS FACTORS

### 8.1. Creation of loss factors (Clause 11.2)

#### Code reference

*Clause 11.2*

#### Code related audit information

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

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

#### Audit observation

The “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

SMRT derives loss factors for loss category codes from the published parent network loss factors for similar installations. It is expected that ICPs on embedded networks will have the same loss factor as a similar type of connection on the parent network. The loss factors were checked and confirmed correct.

#### Audit outcome

Compliant



## CONCLUSION

Most of SMRT's compliance is reliant on the compliance of TEG & Associates (TEG), as a contractor to SMRT. This contractor's audit report is submitted along with this report.

This audit found seven non-compliances and makes no recommendations. Four of these relate to four ICPs that were updated after energisation. The frequency matrix indicates the next audit be due in 12 months and I agree with this recommendation.

## PARTICIPANT RESPONSE

SMRT have reviewed this report and their comments are recorded in the report. No further comments have been provided.