

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

WESTPOWER

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EXECUTIVE SUMMARY

This distributor audit was performed at the request of Westpower Limited (WPOW) and its subsidiary and agent, ElectroNet Services (ElectroNet), as required by clause 11.10 of Part 11, to assure compliance with the Electricity Industry Participation Code 2010. The relevant rules audited are as required by the Guidelines for Distributor Audits V 7.0 issued by the Electricity Authority

The level on non-compliance improved since the last audit. We identified small numbers of non-compliances, which impact a small number of ICPs. The company implemented robust processes to monitor compliance. There is on-going project to put more description into the registry to allow ICPs be readily located. Only 100 ICPs are left so by next audit the project will successfully achieve its objective.

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

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1)	Incorrect management of “decommissioning” status resulting in incorrect information in the registry	Moderate	Low	2	
Changes to registry information	4.1	8 of Schedule 11.1	Very small number of updates of pricing and network transactions	Strong	Low	1	
ICP location addresses	4.4	2 of Schedule 11.1	Addresses of 100 ICPs not allow them to be readily allocated	Moderate	Low	2	
Distributor to provide information to the registry	4.6	7(1) of Schedule 11.1	Information missing or incorrect for 4 ICPs	Moderate	Low	2	
Management of decommissioned status	4.11	20 of Schedule 11.1	The effective date of decommissioned ICPs is used incorrectly. ElectroNet uses the date of receiving a confirmation from the Electrical Department not when it physically happened (if known)	Weak	Low	3	
Future Risk Rating						10	
Indicative audit frequency						12 months	

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

RECOMMENDATIONS

Subject	Section	Description	Recommendation
		Nil	

ISSUES

Subject	Section	Issue	Issue
		Nil	

1.3. Persons involved in this audit

Name	Title	Company
Raelene Costello	Asset Administrator - Lines	ElectroNet
Gary Lancaster	GIS Administrator	ElectroNet
Rodger Griffiths	General Manager Assets & Engineering Services	ElectroNet
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates Ltd

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

- *remains responsible for the contractors' 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

Westpower subcontracts all services and processes to ElectroNet services.

Audit commentary

Westpower subcontracts all services and processes to ElectroNet services.

1.5. Supplier list

Gentrack is the supplier of Gentrack used for billing purposes and communication with the registry.

1.6. Hardware and Software

ElectroNet uses four systems to create and maintain ICP information on the registry:

- Maximo – Asset Management System, which includes workflow functionality. It enables ElectroNet to assign and track the tasks associated with ICP creation and maintenance. It also allows the assigning of alerts to a specific task e.g. run a comparison between the registry and Westpower's network model to identify any discrepancies of ICP allocations to NSPs

- Gentrack –this is used to manage all ICPs on the Westpower network. All changes to the registry are made via Gentrack.
- GIS – this records the location of each connection to the network. A map is attached to each approval of a new connection.
- SharePoint – document storage. All documents associated with a connection are scanned and attached to the relevant connection.
- Mind Manager – process documentation

1.7. Breaches or Breach Allegations

ElectroNet stated that there were no breaches or breach allegation against Westpower since the last audit.

1.8. ICP and NSP Data

ElectroNet provided a list of all ICP as of 18/8/2017. The total number of ICPs in the registry was 15,533.

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
WPOW	ATU1101	ATARAU			WCOTHERWPOWG	G	1/05/08	46
WPOW	DOB0331	DOBSON			WCOTHERWPOWG	G	1/05/08	2,982
WPOW	GY0661	GREYMOUTH			WCOTHERWPOWG	G	1/05/08	4,553
WPOW	HKK0661	HOKITIKA			WCOTHERWPOWG	G	1/05/08	4,678
WPOW	KUM0661	KUMARA			WCOTHERWPOWG	G	1/05/08	617
WPOW	RFN1101	REEFTON			WCOTHERWPOWG	G	1/05/08	1,203
WPOW	RFN1102	REEFTON			WCOTHERWPOWG	G	1/05/08	229
WPOW	OTI0111	OTIRA			WCOTIRAWPOWG	G	1/11/12	48

Status	Number of ICPs (18/8/2017)	Number of ICPs (date)	Number of ICPs (date)
Active (2,0)	13,467		
Inactive- new connection in progress (1,12)	15		
Inactive – vacant (1,4)	833		
Inactive – AMI remote disconnection (1,7)	14		
Inactive – at pole fuse (1,8)	3		
Inactive – de-energised due to meter disconnected (1,9)	1		
Inactive – de-energised at meter box switch (1,10)	0		

Inactive- at meter box switch (1,11)	0		
Inactive – ready for decommissioning (1,6)	18		
Decommissioned (3)	1,177		
New (999)	5		
Ready (0)	0		

1.9. Authorisation Received

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

1.10. Scope of Audit

The audit covers the following processes under clause 11.10(4) of Part 11, performed by Westpower, as listed below:

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

The audit was carried out on the ElectroNet premises, 146 Tainui Street in Greymouth, on the 23/24 of August 2017. We have followed the Guidelines for Distributor Audits version 7.0 published by the Authority, as at the report date.

1.11. Summary of previous audit

Subject	Clause	Non-compliance	Cleared
Updates to ICP information in registry	8(2)(b) of Schedule 11.1	Changes to ICP information in the registry later than 3 business days	On-going
Address	2(1) of Schedule 11.1	For 332 ICPs location addresses do not allow them to be readily located.	On-going
Information in the registry	7(1)(m) of Schedule 11.1 & 11.2 of Part 11	For some UML ICPs information in registry is missing or is incorrect; Incorrect kW for DUML	Cleared

Subject	Clause	Non-compliance	Cleared
Loss category code	21 of Schedule 11.1	Notice of new loss category code IHL was later than 2 months before the date it took effect	Cleared

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

All information provided by ElectroNet is based on documents, emails received from customers, traders, electricians, line staff etc. All documents and emails are stored within Gentrack as attachments. It is easy to trace them to verify and it provides an excellent audit trail.

Audit commentary

To the best of their best knowledge, ElectroNet does not provide misleading or deceptive information to any person

In section 4.11 we identified that ElectroNet records the incorrect date of physically removing electrical installations associated with the ICP. It is an issue with the process used and is not done to mislead or deceive other parties on purpose.

Our assessment of control is Moderate because the process is followed every time but the underlying principle of the process is incorrect.

It is identified as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: From: 16-Sep-16 To: 16-Aug-17	Incorrect management of “decommissioning” status resulting in incorrect information in the registry Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Low audit risk rating assigned based small number of ICPs effected; a minor if any, impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status
We have changed our process to use the date that the meters are removed, if available, or else the date given by the retailer.		30 August 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
This change will be documented in our Customer Initiated Work Standard to ensure ongoing compliance.		Within 3 months	

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

From time to time incorrect information is discovered during work done on site e.g. 0000486610WPFD6. ElectroNet had recorded a fuse size as 60A but it was 160A. In such a case, a trader was notified and the registry updated. We identified one instance where ElectroNet uploaded an incorrect date of ICP (0000684008WP0F6) acceptance by a trader. It was identified by the trader and promptly corrected by ElectroNet.

On a regular basis, ElectroNet compares the assignment of NSPs to ICPs in the registry and Gentrack. Any discrepancies are corrected straight away.

Audit commentary

ElectroNet takes all necessary steps to make sure that if incorrect information is identified in the registry they are promptly corrected. ElectroNet has a list of all new connections, after receiving the acceptance from traders, and monitors them closely when they change from BTS to permanent.

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 process has not changed since the last audit. An ICP for a new connection is created upon a customers' request or from his/her representative. The Request for Supply form is filled in on line or emailed to the ElectroNet's office. On the form a customer is advised to contact their preferred retailer before being connected and requests the anticipated load, installation details, and anticipated livening date.

In a case where the new connection does not require any line or cable work, an ICP is created within 4 days. Once the ICP is created a person requesting an ICP is issued with a Network Connection Agreement, which shows the ICP identifier and the capacity of connection. The agreement is issued for 6 months; after this period, it needs to re-evaluated.

Some new connections require additional line or cable work. Once an application is lodged it is assessed by a network engineer. The District Council requirement is that if any work is done on their land a special consent is required. It can take up to 15 days to approve an application. The additional cabling or line work is priced and a proposal is sent to a customer for approval. Once it is agreed, a deposit paid, an ICP identifier is created and uploaded to the registry

Audit commentary

ElectroNet created 64 ICPs for new connections since the last audit. The company commented that there were not many "simple" new connections, most of them require extra work e.g. going across a road.

We assessed compliance based on a sampling of 10 applications. Further in this report we describe more details of sampling.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

An ICPs identifier is created only on a customer or electrician request not the participant. The process is described above. When an ICP identifier is created both a customer or representative and the participant are advised.

Audit commentary

This clause is not applicable to ElectroNet.

Audit outcome

Not applicable

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

We examined the LIS file dated 18 August 2017 to check if the required information was uploaded. A new ICP is created in Gentrack by setting up a new account and entering the information provided in the Request for Supply by a customer form or by an electrician, plus the price code, loss factor code and NSP. Once a retailer confirms acceptance of the ICP, it is entered into Gentrack and uploaded into the registry.

Audit commentary

Compliance confirmed based on a review of the process. The ICP is created in Gentrack but not uploaded to the registry until a trader confirms acceptance of responsibility. Once an acceptance is received an ICP is uploaded to the registry overnight. The registry assigns the status of "ready".

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

We reviewed 63 new connections using the EDA file for the period 16/9/16 to 15/8/17. All ICPs were uploaded overnight the same day they were created. Information for the ICP consisted of all the mandatory information. The registry assigned the status of “new” as proposed trader was not uploaded.

Audit commentary

ElectroNet have a very robust process of ICP creation, following each step as per process documentation. We did not note any ICPs which were electrically connected before an ICP was recorded on the registry.

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 subclause (1)(p) to the registry no later than 10 business days after the date on which the ICP is initially energised.

Audit observation

We examined network transactions (Initial Energisation Date) for all new connections in the EDA files. We can confirm that for all new connections in the last 12 months the Initial Energisation Date was uploaded into the registry within 10 BD.

Audit commentary

Only ElectroNet inspectors can electrically connect an installation. Before any of them goes on site, they contact the ElectroNet office to check a livening was requested by a trader. There are two flags in Maximo which help to monitor a new connection. When an ICP is created it has a flag “NETAPPR”, which means awaiting acceptance from trader. Once the acceptance is received, the flag is changed to “LIVEN”.

Once an installation is electrically connected paperwork is returned to the office and the Initial Energisation Date is entered into Gentrack, which uploads it to the registry overnight.

Audit outcome

Compliant

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 Event Listing file for the period 16/9/16 to 15/8/17 was examined and we confirm that ICPs were always created and loaded into the registry, having a proposed retailer specified, before an installation was electrically connected. We sampled 28 randomly chosen new installations to assess compliance. The examples are shown in the table below:

ICP	ICP created	Retailer acceptance	Electrically connected
0000308008WP980	23/03/17	10/04/17	20/04/17
0000328454WP75A	6/04/17	19/04/17	20/04/17
0000336134WPD8E	19/06/17	21/06/17	13/04/17
0000412423WP5AA	2/12/16	2/12/16	1/02/17
0000412426WP8E5	16/03/17	7/03/17	24/03/17
0000418162WP00F	1/03/17	23/02/17	3/03/17
0000444582WPE40	25/10/16	7/11/16	7/11/16
0000446023WPC5F	13/10/16	25/10/16	28/10/16
0000446639WP265	16/12/16	16/12/16	22/12/16
0000448193WPF29	24/02/17	1/03/17	9/03/17
0000608348WP5F5	8/08/17	3/08/17	16/08/17
0000612462WP392	15/11/16	28/11/16	1/12/16
0000615042WP6A6	28/02/17	2/03/17	7/03/17
0000618550WP3AB	10/03/17	9/03/17	9/06/17
0000618580WP6E9	29/10/16	30/11/16	2/12/17
0000684008WP0F6	1/10/16	23/02/17	23/02/17

0000696475WPD50	17/01/17	18/01/17	23/01/17
0000708775WP53B	7/04/17	17/03/17	26/04/17
0000710041WP92A	7/03/17	20/02/17	15/03/17
0000578425WPC51	28/02/17	2/03/17	07/03/17
0000580435WPE60	10/10/16	6/10/16	30/11/16
0000602227WP29F	21/03/17	27/04/17	02/05/17
0000603055WPCE0	10/10/16	11/10/16	27/10/16
0000603102WP026	15/02/17	15/02/17	10/03/17
0000710357WP10B	8/03/17	1/02/17	10/04/17
0000712244WPD22	10/10/16	11/11/16	16/12/16
0000712260WP17D	20/10/16	26/10/16	02/11/16

Audit commentary

Sampling of randomly chosen new installations confirmed that no installation was electrically connected without a trader recorded in the registry as accepting responsibility for the ICP.

The process adopted by ElectroNet was reviewed. It is robust and compliant.

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 connection of new installation is only done upon request from a trader. ElectroNet's inspectors inspect new installations, check paperwork left by the electrician and then electrically connect. No exceptions.

Audit commentary

Connection of new installations are only done on request of a trader. ElectroNet's inspector inspect new installations, check paperwork left by electrician and then electrically connect. No exceptions.

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

Any new installation livened on Westpower's network is done on the trader's request only. This was confirmed by sampling of 28 installations.

Audit commentary

ElectroNet has very good control of the livening process. The fact that it is only done by their inspectors makes it easier to control.

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 5 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

Westpower hasn't had such connections in the last 12 months.

Audit commentary

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

There is a unique distributor code "WP" used within the Westpower area. This ensures the uniqueness of the ICP as per Code requirements. Gentrack creates an ICP based on an installation number, unique distributor code and checksum, which is generated according to the algorithm provided by the market administrator.

Audit commentary

We analysed the LIS file dated 18 August 2017 and confirm that "WP" distributor code is used. The ICP identifier is used in all communication with the registry and participants.

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 registry LIS file was examined and we confirm compliance. All ICPs with status “New”, “Ready”, “Active”, “Inactive” have a single loss category code.

Audit commentary

Compliance is confirmed based on a review of LIS file and the process of ICP creations. It is important to note that the registry design precludes an ICP having more than one loss category code.

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

When an ICP is loaded into the registry it has all the information but a proposed trader, which allows the registry to assign the status of “new”.

Audit commentary

“New” status is managed correctly. Compliance confirmed based on a review of the LIS file and the process of ICP creation.

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

According to the LIS file dated 18 August 2017 Westpower has only five ICP with the status “ready”. The latest was created on 20/6/16. No ICPs of the status “new”.

Audit commentary

ElectroNet keeps a close eye on ICPs with the status “new” and “ready”. After 12 months a trader or a customer is approached and asked if the ICP is still required.

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:*
 - *the unique loss category code assigned to the ICP*
 - *the ICP identifier of the ICP*
 - *the NSP identifier of the NSP to which the ICP is connected*
 - *the plant name of the embedded generating station.*

Audit observation

We examined the LIS file and confirm that Westpower does not have embedded generating station of capacity of 10MW or more on their network.

Audit commentary

There is a number (15) of generating station on Westpower’s network but the capacity of each of them is less than 10 MW. The biggest generation station, Amethyst Hydro Station, has capacity 7400kW.

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

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

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

Audit observation

We examined the EDA file for the period of 16/9/16 to 15/8/17 to assess compliance. The results are shown below:

Activity	No of updates	No of updates later than 3BD (IED excluded)	Date range of updates [BD]	Comment
Address	1,327	0		
Network	391	2 (0.51%)	25 and 67	0000444414WP92C – late proposed trade uploaded by GT. Livened after responsibility recorded 0000684008WP0F6 WPOW put the wrong dates when GENE was taking responsibility; done manually; human error; 27/2/ instead 23/2-
Pricing	219	10 (4.5%)	1 to 25	Comment below
Status (0)	14	0		
Status (999)	63	0		
Status (3)	71	2		2 ICPs setup in error

Network – 76 updates were done on 9/11/16 after the last audit to correct a description from kWh to kW.

Pricing – we checked 10 ICPs for which entry in the registry was later than 10 BD. Most of them were caused by late paperwork changing BTS to permanent connection or upgrades.

Audit commentary

ElectroNet is planning to change the processes to give more visibility to the Person who looks after this part of the operation. Maximo functionality will be utilized.

Overall ElectroNet decreased the number of late uploads. The company adopted a policy where the price code is changed on the day of notification. The Retailer accepted this policy. The result is that Westpower's compliance has improved even more.

Non-compliance identified because some updates to the registry were later than 3 business days.

We asked ElectroNet if there were any changes to the NSP identifier for more than 14 days in last 12 months. The company stated that there were none. We also examined the EDA file and there were no transactions related to such changes.

Usually switching ICPs between NSPs is temporary and always for less than 14 days. Notification to the registry is a part of the Control Room's procedure which includes changes to GIS which appear in the Variance report.

We assigned effectiveness of controls as Strong because the processes in place mitigate the risk to an acceptable level.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of schedule 11.1 From: 16-Sep-16 To: 15-Aug-17	Very small number of updates of pricing and network transactions Potential impact: Low Actual impact: Low Audit history: Twice before Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Very small number of uploads to registry later than 3 business days; no impact on settlement outcome		
Actions taken to resolve the issue		Completion date	Remedial action status
We will be raising an issue with our contractor to improve the timeliness of information provided.		30 August 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
This change will be documented in our Customer Initiated Work Standard to ensure ongoing compliance.		Within three months	

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

We reviewed the LIS files provided by ElectroNet and we also reviewed the process for the creation of ICP identifiers.

Audit commentary

Each ICP loaded into the registry has the NSP identifier assigned. It is a mandatory field in Gentrack. The functionality of Gentrack asks an operator to assign a transformer, which is “connected” to a NSP. On a

regular basis ElectroNet compares the assignment of NSPs to ICPs in the registry and Gentrack. Any discrepancies are corrected straight away.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

This was discussed with Westpower during the audit. Any request from a customer for advice on an ICP for an existing connection is followed through immediately, while the customer is on the phone or at the office.

Audit commentary

Westpower does not often receive such phone calls but they are attended to straight away. Usually they are phone calls from electricians.

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

A review of the LIS files identified 100 ICPs for which the address does not allow the ICP to be readily located. It is a significant decrease (50%) from last year.

Audit commentary

A lot of work was done to correct addresses; it is tedious work because some of these ICPs are in the middle of nowhere. ElectroNet work steadily though one area at the time.

We assigned effectiveness of controls as Moderate because processes in place mitigate most of the time, it is just a matter of time to finish off this project.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 2 of schedule 11.1 From: 16-Sep-16 To: 15-Aug-17	Address of 100 ICPs not allow then to be readily allocated Potential impact: Low Actual impact: Low Audit history: Twice before Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Very small number, ever decreasing, of ICP effected; no impact on settlement outcome		
Actions taken to resolve the issue		Completion date	Remedial action status
Ongoing effort has gone into reducing the number of ICPs not readily identifiable down to the current number and this will continue until complete.		Within six months	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
For any new connection, the address is now positively identified prior to entry into the system. Furthermore, this is a mandatory field.		30 August 2017	

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

There are no known situations where an ICP could be de-energised without de-energisation of another ICP.

Audit commentary

The company policy precludes such situations.

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

We examined the EDA file for the period 16/9/16 to 15/8/17 to assess compliance.

The creation of an ICP in Gentrack was demonstrated. A file is created containing the information of newly created ICPs and downloaded overnight to the registry. In the last audit it was identified that some ICPs did not have an Initial Energisation Date. We confirm that Initial Energisation Date for all ICPs was populated.

After review of the EDA file and PR-255 our conclusions are:

- UML correctly populated, it was identified as non-compliance in the last audit. There are two ICPs 0000508050WP2FB and 0000508580WPABC, which are incorrectly marked by traders as UML.
- Different NSP on same street – we went through the list and identified 2 ICPs which had incorrect NSP assigned in the registry. Information was passed to ElectroNet and it was corrected. ICP 0000422155WP551 and 0000440137WPB3C
- ICP 0000876115WP0CE has import/export meter installed and programmed to record EG. ElectroNet records in the registry do not reflect this.
- Initial Energisation Date – one ICP 0000774252WP198 does not have a date populated. It appears that it was deleted by Gentrack.

Audit commentary

Overall quality of information in the registry is very high. In the past a number of issues were identified but were successfully resolved. This time we identified very minor issues.

There is no specific process to validate entries in the registry but a lot of care is taken to make sure that they are correct in the first place. Our assessment of effectiveness of the process is Moderate.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1) of Schedule 11.1 From: 16-Sep-16 To: 15-Aug-17	Information missing or incorrect for 4 ICPs Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Audit risk assigned as low because of small number of ICPs (4); no impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status
The first two items have been corrected.		4 October 2017	Identified
The issues involving the remaining two ICPs are under action and it is expected that the issues identified will be readily resolved.		31 October 2017	
Preventative actions taken to ensure no further issues will occur		Completion date	
Ongoing attention to existing processes.		Ongoing	

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

We reviewed the process of ICP creation documented by ElectroNet

Audit commentary

We confirm, ElectroNet provides the actual price code for each ICP when it is first uploaded to the registry.

Audit outcome

Compliant

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

We examined the LIS file dated 18 August 2017. GPS coordinates are not recorded in the registry.

Audit commentary

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

According to the process adopted by ElectroNet as soon as an ICP is accepted by a trader, mostly by email, a proposed trader is uploaded to the registry. The registry changes the ICP status to “ready”.

Audit commentary

Compliance confirmed based on review of the process and observation.

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

We examined the LIS file and confirmed there are no ICP with the status of “distributor”.

Audit commentary

No such ICPs are managed by ElectroNet on behalf of Westpower.

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

ElectroNet accepts decommissioning requests from customers because some traders' updates could be incorrect.

Since the last audit 71 ICPs were decommissioned. The number of ICPs marked by traders as "ready for decommissioning" is down 18. ElectroNet works very closely with traders to decommission sites in the registry. Some of the ICPs were marked by traders as ready for decommissioning many years ago. ElectroNet is working through to verify these.

There is a new report in Gentrack which alerts when a trader marks an ICP as "ready for decommissioning". This information is passed to the Electrical Department and the site is checked when a qualified electrician or linesman is in the area.

We randomly sampled 11 decommissioned ICPs.

ICP	Request	Site visit	Traders marked ICP as of the status 1,6	Registry updated by WPOW as of	
0000822210WPB76		28/03/2017	28/03/2017	02/05/2017	dismantled many years ago, difficult to asses
0000814385WP436		27/06/2017	27/06/2017	04/07/2016	
0000878508WP1F9	retailer request	14/06/2017	11/01/2017	23/06/2017	house burnt
0000866325WP5D0	enquire from TP, vacant since 2008		11/01/2017	13/06/2017	line removed in 2009 but CTCT specified date of 11/01/17
0000814160WP9C4	retailer request	19/05/2017	19/05/2017	26/05/2017	
0000702510WP3C3		19/05/2017	19/05/2017	24/07/2017	
0000450514WPE49	retailer request	10/04/2017	10/04/2017	02/05/2017	
0000754650WP4D1		10/04/2017	10/04/2017	11/04/2017	
0000864160WP37D		14/07/2017	14/07/2017	17/07/2017	
0000786585WP8CE			13/07/2017	14/07/2017	removed long time ago
0000906083WP977	retailer request		05/07/2017	06/07/2017	removed long time ago

Once paper work is received from the Electrical Department confirming that the installation was physically removed, Gentrack is updated. We noticed that ElectroNet does not enter a date of physical removal of installation to the registry. The date of receiving paperwork is used as a date for the decommissioning of

an ICP. This is not correct because it is not the date of when it happened. It should be the date which is recorded on the report from the Electrical Department. Traders record the correct date as an effective date.

Audit commentary

Decommissioning an ICP is a difficult area because sometimes an installation is dismantled without the knowledge of the network or a house is burnt. In some instances, an estimated date is used, as close to the actual date as possible.

The process for presently decommissioned ICPs is very robust. The only issue is that the incorrect date in the registry is used, which we identify as non-compliance. It looks good from the point of view of compliance with clause 8 of Schedule 11.1. There are no backdated entries in the registry. Another issue is that ElectroNet has to wait for traders to mark an ICP as “ready for decommissioning”, which can take a long time.

Our assessment of control is Moderate because the process is followed every time but the underlying principle of the process is incorrect.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: 20 of Schedule 11.1 From: 16-Sep-16 To: 15-Aug-17	The effective date of decommissioned ICPs is used incorrectly. ElectroNet uses the date of receiving a confirmation from the Electrical Department not when it physically happened (if known) Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Low audit risk rating assigned based small number of ICPs effected; a minor if any, impact on settlement outcomes		
Actions taken to resolve the issue		Completion date	Remedial action status
We have changed our process to use the date that the meters are removed, if available, or else the date given by the retailer.		30 August 2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
This change will be documented in our Customer Initiated Work Standard to ensure ongoing compliance.		Within 3 months	

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

We examined the price code table in the registry. There have been no updates to this table since 2003.

Audit commentary

Compliance confirmed based on review of the registry records.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

We checked the Loss Factor table in the registry and confirm that no new loss factor codes were uploaded to the registry since the last audit.

Audit commentary

No new loss factor codes were uploaded to the registry.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

We checked the Loss Factor table in the registry and confirm that no updates to loss factor codes were uploaded to the registry since the last audit.

Audit commentary

No updates to loss factor codes were uploaded to the registry.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

If the distributor is creating or decommissioning an NSP that is an interconnection point between 2 local networks, the distributor must 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 2 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

There were no new NSPs create or decommissioned since the last audit.

Audit commentary

There were no new NSPs create or decommissioned since the last audit. It is very unlikely that such an event will occur.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

No new NSP was created and no transfer of ICPs occurred.

Audit commentary

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

There are two balancing areas on Westpower's network. No new balancing area was created since the last audit.

Audit commentary

We reviewed NSP Mapping in the registry and confirm that no new NSP was created. List of existing NSPs and the balancing areas are described in section 1.8.

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 1 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

No embedded network was created by Westpower since the last audit.

Audit commentary

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 3 business days after the change takes effect.

Audit observation

There were no changes to the balancing areas on Westpower's network since the last audit.

Audit commentary

There were no changes to the balancing areas on Westpower's network since the last audit. It is very unlikely that it will occur.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

There was no ICP transfers, which resulted in an ICP becoming a connection to an embedded network within Westpower network since the last audit.

Audit commentary

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 3 business days before the transfer takes effect.

Audit observation

There were no transfers of any ICPs since the last audit.

Audit commentary

Audit outcome

Not applicable

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

Westpower does not have NSP which is not connected to the grid.

Audit commentary

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

Westpower did not create such an NSP since the last audit.

Audit commentary

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 1 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

Westpower did not acquired any new network since the last audit.

Audit commentary

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

Westpower has not connected any NSP that is not connection to the grid because it has not created such an NSP.

Audit commentary

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

Westpower does not have an embedded network.

Audit commentary

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

There was no transfer of ICPs since the last audit.

Audit commentary

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

There were no transfers of ICPs since the last audit.

Audit commentary

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

We checked the LIS file dated 18 August 2017 and confirm that there is no shared unmetered load on the Westpower's network.

Audit commentary

There is no shared unmetered load on the Westpower network.

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

We checked the LIS file dated 18 August 2017 and confirm that there is no shared unmetered load on the Westpower's network.

Audit commentary

There is no shared unmetered load on the Westpower network.

Audit outcome

Not applicable

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

There are three different categories of loss factor on the Westpower network, mass market (LF08 and LF05), large customers (individual loss factor calculated) and embedded generators. Loss factors for large customers and embedded generators are calculated using the load flow program ETAP.

The Loss Factors for the connection at 11kV (1.05) and 400V (1.08) are published on Westpower's website in the Tariff Charges. The published loss factor on the website is the total loss factor consisting of technical and non-technical losses.

The Loss factor for ICP Generation sites is shown below:

ICP	Customer	Loss Code	Loss Factor Consumption	Loss Factor Generation
0000100500WPB49	Arnold Generation	ARN	1.081	1.006
0000100520WP61C	Dillmans Generation	DIL	1.08	1.009
0000100530WPCB1	Duffers Generation	DUF	1.08	1.021
0000100540WP9EC	Kaniere Forks Generation	MCK	1.08	1.000
0000100550WP341	McKays Generation	MCK	1.08	1.000
0000100560WP4B9	Wahapo Generation	WAH	1.08	1.028
0000100570WPE14	Fox Generation	FOX	1.08	1.000
0000100580WPE03	Kumara Generation	KUM	1.08	1.005
0000100600WP84A	Amethyst Generation	AME	1.05	0.950
0000100620WP51F	Generation Sub	IHL	1.08	0.910

The loss factor is calculated as the difference between the delivered volumes, as reported by Transpower and the volumes submitted by retailers to the reconciliation manager, they are classed as reconciliation

loss. It was confirmed that Westpower uses rolling losses calculated over the last 12 months. The average loss is 8%. It has increased since the last audit. Westpower is in the process of investigating what has caused this increase.

Audit commentary

Westpower's loss factor calculation is based on available information and their best technical knowledge. They consider them complete and accurate.

Audit outcome

Compliant

CONCLUSION

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