

ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT



For

ELECTRICITY ASHBURTON LIMITED  
NZBN: 9429039316172



Prepared by: Rebecca Elliot

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## EXECUTIVE SUMMARY

This distributor audit was performed at the request of **Electricity Ashburton Limited (EA Networks)**, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

EA Networks have good controls and processes in place and continue to show improvement of their compliance during the audit period. The connection paperwork is returned from the field and details are updated. The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. The EDA file is requested from the registry each night and loaded into CIS, daily reporting is in place and used to check for discrepancies. Any discrepancies found are investigated and updated as required.

As previously reported the remaining small number of new ICPs that have been created to accommodate an ICP split require monitoring and follow-up. These ICPs are appearing on a number of exception reports and should be followed up to ensure the trader accepts responsibility. EA Networks nominated the existing trader, but some of the original ICPs have now switched to another trader. They must follow up with the customer where a trader is unable to create the new ICP or does not accept responsibility.

This audit found four non-compliances and makes two recommendations. The audit risk rating is six, and the next audit frequency table indicates that the next audit be due in 18 months. I have considered this in conjunction with EA Networks' responses and I recommend that the next audit is in 18 months.

The matters raised are shown in the table below:

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	One ICP with the incorrect initial electrical connection date recorded.	Strong	Low	1	Identified
Monitoring of "new" & "ready" statuses	3.14	15 Schedule 11.1	10 ICPs at "new" or "ready" status not followed up with the nominated trader.	Moderate	Low	2	Identified
Changes to registry information	4.1	8 Schedule 11.1	36 late address events. 18 late network updates to distributed generation details. Three late network updates to fields other than distributed generation details. 40 late pricing events. Five late updates to decommissioned status.	Moderate	Low	2	Identified
Distributors to Provide ICP Information to the Registry man	4.6	7(1) Schedule 11.1	One ICP with the incorrect initial electrical connection date recorded.	Strong	Low	1	Identified
<b>Future Risk Rating</b>						<b>6</b>	

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

## RECOMMENDATIONS

Subject	Section	Recommendation	Description
Monitoring of “new” & “ready” statuses	3.14	“New” and “ready” ICPs	Follow-up with traders to claim the ICPs at “ready” status that were required to be created for split ICPs.
Distributors to Provide ICP Information to the Registry manager	4.6	Installation type and generation details	EA Networks to liaise with the trader to confirm why they have the DG profile applied.

## ISSUES

Subject	Section	Issue	Description
		Nil	

## 1. ADMINISTRATIVE

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

#### Code reference

Section 11 of Electricity Industry Act 2010.

#### Code related audit information

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

#### Audit observation

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

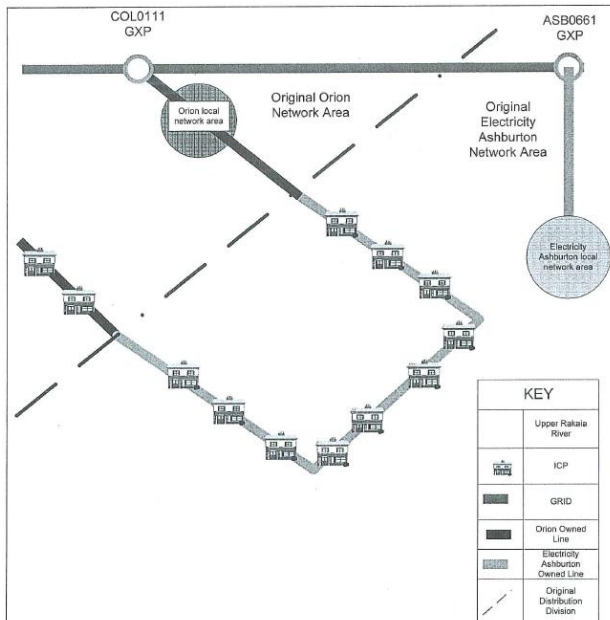
#### Audit commentary

Exemption number 163 exempts EA Networks from complying with clauses 10.3(f)(i) and 15.38 in relation to an embedded network connected to the Orion Network and expires on 31 May 2023.

- Clause 10.3(f)(i) relates to the provision of a metering installation at the point of connection for the embedded network.
- Clause 15.38 relates to certification as a reconciliation participant.

The exemption notes that “EASH has in place a materially accurate method to calculate consumption for settlement”.

The diagram below shows the embedded network and shows two ICPs connected to the embedded network which are physically in the Orion area.

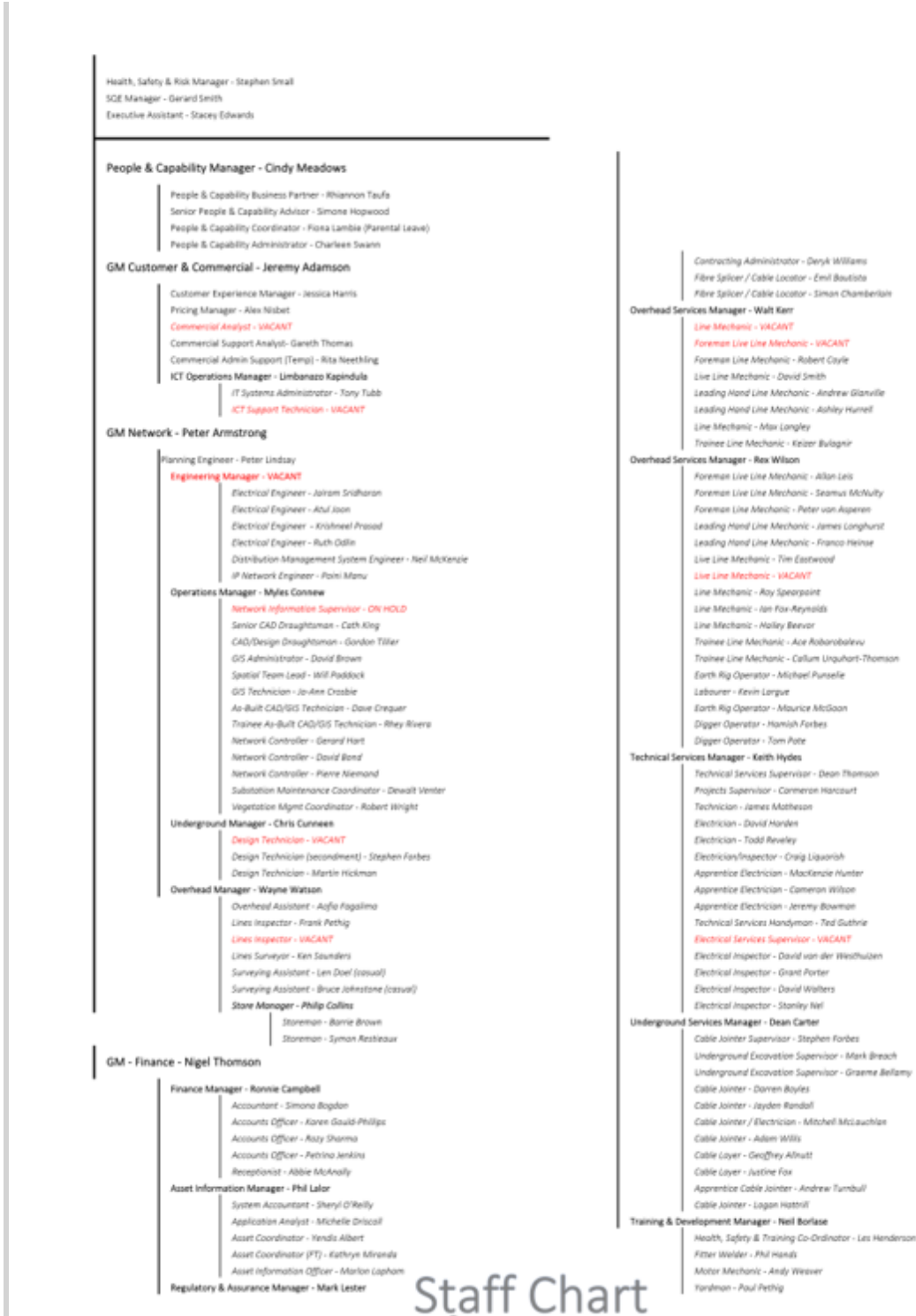


EA Networks has been working with the Department of Conservation for the installation of a gateway meter, and connecting cables over the Rakaia River, they have resource consent for this. This was expected to be completed by April/May 2022 but is now estimated to be complete in February 2023.

## 1.2. Structure of Organisation

Electricity Ashburton provided an organisational structure.

Chief Executive Officer - CEO - Roger Sutton



Staff Chart



### 1.3. Persons involved in this audit

Auditor:

Name	Company	Role
Rebecca Elliot	Veritek Limited	Lead Auditor
Claire Stanley	Veritek Limited	Supporting Auditor

EA Networks personnel assisting in this audit were:

Name	Title
Mark Lester	Regulatory & Assurance Manager
Alex Nisbet	Pricing Manager
Helen Cook	Administration Officer
Stanley Nel	Electrical Inspector
Jess Harris	Customer Experience Manager
Gareth Thomas	Commercial Support Analyst

### 1.4. Use of contractors (Clause 11.2A)

#### Code reference

Clause 11.2A

#### Code related audit information

*A participant who uses a contractor*

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

#### Audit observation

All activities are completed directly by EA Networks.

### 1.5. Supplier list

All activities are completed directly by EA Networks.

## 1.6. Hardware and Software

The EA Networks Customer Information System is a bespoke system used by EA Networks to manage their data and processes.

The Access based Assets Database is used to create ICPs, and interfaces with the Customer Information System.

Access to systems is restricted using logins and passwords. Backups are carried out, and some backup copies are stored off site.

## 1.7. Breaches or Breach Allegations

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

## 1.8. ICP and NSP Data

EA Networks owns and operates the electricity network in the Ashburton region.

### EA Networks NSPs

The table below lists the relevant NSPs and their associated balancing areas, and the number of active ICPs connected. Embedded network URK0111 is discussed further in **section 1.1**.

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	Number of ICPs
ASB0661	ASHBURTON			ASHBURTEASHG	G	01-05-08	20,494
URK0111	UPPER RAKAIA	COL0111	ORON	UPPERAKEASHE	E	01-05-08	13

There is one embedded network connected to EA's Network. There have been no changes to the NSP during the audit period.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date
TENC	TAC0011	250 Tancred Street ASHBURTON	ASB0661	EASH	TAC0011TENCE	E	01-07-19

A summary of EA Networks ICPs by status is shown in the table below:

Status	Number of ICPs (2022)	Number of ICPs (2021)	Number of ICPs (2020)
New (999,0)	1	-	60
Ready (0,0)	31	32	143
Active (2,0)	20,507	20,149	19,726
Distributor (888,0)	2	2	2
Inactive – new connection in progress (1,12)	74	38	38

Status	Number of ICPs (2022)	Number of ICPs (2021)	Number of ICPs (2020)
Inactive – electrically disconnected vacant property (1,4)	250	240	254
Inactive – electrically disconnected remotely by AMI meter (1,7)	24	20	25
Inactive – electrically disconnected at pole fuse (1,8)	5	4	3
Inactive – electrically disconnected due to meter disconnected (1,9)	2	2	6
Inactive – electrically disconnected at meter box fuse (1,10)	3	2	2
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	1	18
Inactive – reconciled elsewhere (1,5)	-	-	-
Decommissioned (3)	2,767	2,665	2,503

### 1.9. Authorisation Received

A letter of authorisation was received.

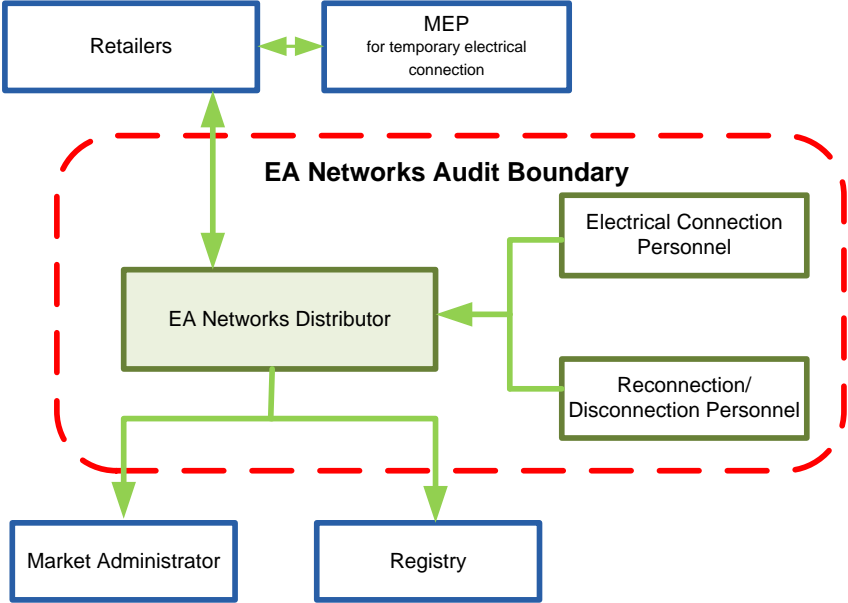
### 1.10. Scope of Audit

This distributor audit was performed at the request of EA Networks, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11. The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

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

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

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



**1.11. Summary of previous audit**

EA Networks provided a copy of their previous audit, conducted in August 2021 by Rebecca Elliot of Veritek Limited. The matters raised are detailed in the table below, and further comment is made in the relevant sections of this report.

**Table of Non-compliance**

Subject	Section	Clause	Non-compliance	Status
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	The registry was not updated prior to commencement of trading for 16 ICPs.	Cleared
Connection of ICP that is not an NSP	3.6	11.17	ICP 0000012230EA09F did not have a trader recorded on the registry on the date it was electrically connected.	Cleared
Connection of ICP that is not an NSP	3.7	10.31	16 ICPs connected without acceptance of the nominated trader.	Cleared
Monitoring of 'new' and 'ready' statuses	3.14	15 Schedule 11.1	16 ICPs at "new" or "ready" status not followed up with the nominated trader.	Still existing

Subject	Section	Clause	Non-compliance	Status
Changes to registry information	4.1	8 Schedule 11.1	24 late address events. Two late network updates to distributed generation details. Seven late network updates to fields other than distributed generation details. 23 late pricing events. 15 late updates to decommissioned status.	Still existing
ICP location address	4.4	2 Schedule 11.1	One ICP without a readily locatable address	Cleared
Distributors to Provide ICP Information to the Registry man	4.6	7(1) Schedule 11.1	Unmetered load information is not recorded on the registry for ICP 0000034224EA735.	Cleared
Management of “ready” status	4.9	14 of schedule 11.1	16 ICPs recorded as “ready” but no acceptance has been received from the trader recorded in the registry.	Cleared

#### Table of Recommendations:

Subject	Section	Description	Status
Distributors to Provide ICP Information to the Registry manager	4.6	Ensure unmetered load details are recorded on the registry for any new unmetered load connections.	Cleared
		EA Networks align the IECD date with the trader’s date for the ICP’s that are split.	Still existing
Removal or breakage of seals	2.3	Ensure all personnel engaged in load control device bridging are qualified to perform the bridging and sealing activities.	Cleared
		Prepare and maintain a training and competency schedule for all relevant personnel.	Cleared
		Ensure that re-sealing occurs when bridging activities are conducted by non-ATH approved personnel.	Cleared
		Ensure MEPS are notified as well as traders that bridging has occurred.	Cleared

## 2. OPERATIONAL INFRASTRUCTURE

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

#### Code reference

*Clause 11.2(1) and 10.6(1)*

#### Code related audit information

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

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

#### Audit observation

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

The registry list file as of 15 September 2022, and the combined registry compliance audit reports covering the period from 1 June 2021 to 15 September 2022 were examined to confirm compliance.

#### Audit commentary

EA Networks has robust discrepancy reporting and monitoring in place to identify discrepancies and correct them on a daily basis.

The EA Networks Customer Information System automatically sends updates to the registry when data that is also held in the registry changes. The registry acknowledgment files are received and processed daily.

One ICP had an error, this was identified and corrected as a result of the audit.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: Clauses 11.2(1) and 10.6(1) From: 01-Jun-21 To: 15-Sep-22	One ICP with the incorrect initial electrical connection date recorded. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as they will eliminate risk to an acceptable level. The audit impact is assessed to be low due to one ICP with no initial electrical connection date recorded.		
Audit Comments for reference		Completion date	Remedial action status
We have undertaken a review of EA Networks' processes to identify how the non-compliance occurred.		November 2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The non-compliance occurred as a result of a data entry error. Our daily discrepancy reporting catches and highlights situations where a retailer claims a new ICP in the Active state where no initial energization date is recorded. We will continue to utilize our discrepancy reporting.		November 2022	

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

### Code reference

Clause 11.2(2) and 10.6(2)

### Code related audit information

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

### Audit observation

EA Networks' data management processes were examined.

The registry list file as of 15 September 2022, and the combined registry compliance audit reports covering the period from 1 June 2021 to 15 September 2022 were examined to confirm compliance.

### Audit commentary

As noted above EA Network have robust processes and procedures in place to ensure they provide correct and accurate information. Registry notification files are checked daily, and the reporting is used to check for discrepancies. Any discrepancies found are investigated and updated as required.

### Audit outcome

Compliant

## 2.3. Removal or breakage of seals (Clause 48(1A) and 48(1B) of Schedule 10.7)

### Code reference

*Clause 48(1A) and 48(1B) of Schedule 10.7*

### Code related audit information

*If the distributor provides a load control signal to a load control switch in the metering installation, the distributor can remove or break a seal without authorisation from the MEP to bridge or unbridge the load control device or load control switch – as long as the load control switch does not control a time block meter channel.*

*If the distributor removes or breaks a seal in this way, it must:*

- *ensure personal are qualified to remove the seal and perform the permitted work and they replace the seal in accordance with the Code*
- *replace the seal with its own seal*
- *have a process for tracing the new seal to the personnel*
- *notify the metering equipment provider and trader*

### Audit observation

The PR-255 file was examined to determine if there were examples of load control switches on the EA Network. The management of removal and breakage of seals was examined.

### Audit commentary

EA Networks may bridge load control switches if a trader provides a service request. The retailer also issues a job to Delta, Delta request the outcome from the fault to determine if the load control requires unbridging. Delta may request EA to unbridge the load control, EA are working under the Delta test house and use the Delta seals to complete this.

### Audit outcome

Compliant

## 2.4. Provision of information on dispute resolution scheme (Clause 11.30A)

### Code reference

*Clause 11.30A*

### Code related audit information

*A distributor must provide clear and prominent information about Utilities Disputes:*

- *on their website*
- *when responding to queries from consumers*
- *in directed outbound communications to consumers about electricity services and bills.*

*If there are a series of related communications between the distributor and consumer, the distributor needs to provide this information in at least one communication in that series.*

### Audit observation

The Disputes Resolution information for EA Networks was examined to determine compliance.



The following were provided by EA Networks and examined:

- the EA Networks website link,
- various letter templates,
- email signature examples,
- transcripts of IVR messages for EA Networks.

The letter templates and email signatures provided are used for correspondence to consumers. The IVR message on the 0800 number was also checked.

#### **Audit commentary**

All of these provided clear and prominent information about Utilities Disputes for the consumer, including contact details and links to the Utilities Disputes website. The link on the EA website is provided by selecting 'Complaints and Concerns'.

#### **Audit outcome**

Compliant

### 3. CREATION OF ICPS

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

##### Code reference

Clause 11.4

##### Code related audit information

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

##### Audit observation

The new connection process was examined in detail and is described in **section 3.2** below. 20 new connection applications of the 516 created during the audit period were sampled using diverse characteristic methodology from the point of application through to when the ICP was created.

None of the new connections had unmetered load connected.

##### Audit commentary

The process in place is robust and has good controls in place. The sample checked in **section 3.2** below confirms this.

##### Audit outcome

Compliant

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

##### Code reference

Clause 11.5(3)

##### Code related audit information

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

##### Audit observation

The new connection process was examined in detail. A diverse characteristics sample of 20 new connection applications of the 516 ICPs created during the audit period from 1 June 2021 to 15 September 2022 were checked to determine whether the ICPs had been created within three business days of a request by a trader. The sample included various traders.

##### Audit commentary

The new connections process was reviewed and is set out below:

1. An application for a connection is completed by the customer or the customer's agent. The application must include the nominated retailer.
2. New connections are managed within the EA Network Customer Information system. The ICP is allocated, and Work Orders are created. The connection form is sent to the nominated retailer.

3. The nominated trader must provide an acceptance to EA Networks. There are no blanket agreements with traders in place.
4. The trader sends a metering request to Delta, who also advise the MEP.
5. Delta send a job to EA Networks for inspection and livening.
6. ICPs are created at the “ready” status.
7. The registry is updated when all the required information has been populated. Acknowledgement files are imported the following morning confirming that the registry has been successfully updated.

The twenty new connections checked were all requested by the customer’s electrician. None of the requests were received from the trader and this clause did not apply.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 11.7*

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

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

#### **Audit observation**

20 new connection applications of the 516 ICPs created since 1 June 2021 were checked from the point of application through to when the ICP was created, to confirm the process and controls worked in practice.

#### **Audit commentary**

The process for updating the registry is automated for all fields. 516 ICPs were created during the audit period. Validation occurs within the database to ensure mandatory fields are populated. All had the correct information populated as required by this clause. The timeliness of these updates is detailed in **section 3.4**.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 7(2) of Schedule 11.1*

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

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

#### **Audit observation**

The new connection process was examined. The registry list as of 5 September 2022 and the combined registry compliance audit reports from 1 June 2021 to 15 September 2022 were examined to determine the timeliness of the provision of ICP information for new connections.

### Audit commentary

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. There were 516 new ICPs created since 1 June 2021, and 416 of those were initially electrically connected during the audit period. All new connections were updated to “ready” prior to trading.

One ICP was created at the “new” status. The one ICP at “new” is for a Solar Farm, this will remain at “new” until contracts are completed.

The timeliness of the provision of initial electrical connection dates is discussed separately in **section 3.5**.

### Audit outcome

Compliant

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

### Code reference

*Clause 7(2A) of Schedule 11.1*

### Code related audit information

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

### Audit observation

The new connection process was examined.

The registry list as of 5 September 2022 and the combined registry compliance audit reports from 1 June 2021 to 15 September 2022 were examined to determine the timeliness of the provision of the initial electrical connection date.

### Audit commentary

The connection paperwork is returned from the field and details are updated. The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. Daily reporting is in place to identify active ICPs without an initial electrical connection date as part of the registry validation process.

The audit compliance report identified six late updates. These were examined and found:

- three were corrections to the initial electrical connection date:
  - one was the result of a data entry error,
  - one was due to a request from the trader, and
  - it is unknown why ICP 0000034318EAAD7 was updated, this was possibly due to a request from the trader (all were updated within ten business days in the first instance),
- one was identified in the discrepancy reporting, volumes were confirmed in the EIEP1 file, and the trader active date was accepted,
- one was identified in the discrepancy reporting, a site visit was arranged to investigate, and the trader active date was accepted, and
- one was adding UML details, the initial electrical connection date was updated within three days.

The accuracy of the initial electrical connection dates is discussed in **section 4.6**.

### Audit outcome

Compliant

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

#### Code reference

Clause 11.17

#### Code related audit information

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

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

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

#### Audit observation

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

The registry list file as of 15 September 2022, and the combined registry compliance audit reports covering the period from 1 June 2021 to 15 September 2022 were examined to confirm compliance.

#### Audit commentary

The new connection process requires applications to be approved by traders. Connection applications are emailed to the proposed trader for approval. On receipt of a return email confirming approval, the proposed trader is updated in the EA Networks Customer Information System.

When new ICPs are created in the database the registry update is held until all information required has been provided, including the proposed trader.

Review of the registry list confirmed that a trader is currently recorded for all active ICPs.

A review of the registry list confirmed that there is no known shared unmetered load on EA Networks' network.

#### Audit outcome

Compliant

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

#### Code reference

Clause 10.31

#### Code related audit information

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

#### Audit observation

The new connection process was examined. The registry list as of 5 September 2022 and the combined registry compliance audit reports from 1 June 2021 to 15 September 2022 were examined.

#### Audit commentary

As discussed in **section 3.2**, EA Networks has a step in the new connections process to send a request to the proposed trader, the trader must respond to confirm that they accept responsibility. The trader is recorded in the registry.

Review of the registry list confirmed that a trader is currently recorded for all active ICPs.

#### **Audit outcome**

Compliant

### 3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A)

#### **Code reference**

*Clause 10.31A*

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

*A distributor may only temporarily electrically connect an ICP that is not an NSP if requested by an MEP for a purpose set out in clause 10.31A(2), and the MEP:*

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

#### **Audit observation**

The new connection process was examined in **section 3.2**. The registry list file as 15 September 2022 and the combined registry compliance audit reports from 1 June 2021 to 15 September 2022 were examined to determine compliance.

#### **Audit commentary**

Usually, network and meter connections are completed on the same day. EA Networks' inspectors do not live-n unless a meter is present if the ICP is to be metered.

No ICPs have been temporarily electrically connected during the audit period.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.30*

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

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

*The distributor that initiates the connection under Part 11 and connects the NSP must, within five business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:*

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

#### **Audit observation**

The NSP table was reviewed.

### Audit commentary

EA Networks has not created any new NSPs during the audit period.

### Audit outcome

Compliant

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

### Code reference

*Clause 10.30A and 10.30B*

### Code related audit information

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

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

*A distributor may only electrically connect an NSP if:*

- *each distributor connected to the NSP agrees*
- *the trader responsible for delivery of submission information has requested the electrical connection*
- *the metering installations for the NSP are certified and operational metering*

### Audit observation

The NSP table was reviewed.

### Audit commentary

EA Networks has not created any new NSPs during the audit period.

### Audit outcome

Compliant

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

### Code reference

*Clause 1(1) Schedule 11.1*

### Code related audit information

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

*xxxxxxxxxxxccc where:*

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

### Audit observation

The process for the creation of ICPs was examined.

### **Audit commentary**

The process for the creation of ICPs was examined, and all ICPs are created in the appropriate format. The sample checked confirmed compliance.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 6 Schedule 11.1*

### **Code related audit information**

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

### **Audit observation**

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

### **Audit commentary**

Each active ICP has a single loss category, which clearly identifies the relevant loss factor. Loss factors are based on the new connection information, the system defaults the loss category to LV, and this is monitored and updated for the small number of HV sites.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 13 Schedule 11.1*

### **Code related audit information**

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

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

### **Audit observation**

The ICP creation process was reviewed.

The new connection process was examined. The registry list as of 5 September 2022 and the combined registry compliance audit reports from 1 June 2021 to 15 September 2022 were examined to determine compliance.

### **Audit commentary**

EA Networks current process is to create all ICPs at “ready” status, there is one ICP at the “new” status. The one ICP at “new” is for a Solar Farm, this will remain at “new” until contracts are completed.

### **Audit outcome**

Compliant



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

#### Code reference

Clause 15 Schedule 11.1

#### Code related audit information

If an ICP has had the status of “new” or has had the status of “ready” for 24 months or more:

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

#### Audit observation

The process to monitor ICPs at “new” and “ready” status was reviewed. The combined registry compliance audit reports covering the period from 1 June 2021 to 15 September 2022 were examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

#### Audit commentary

The daily registry validation report identifies any ICPs which are at “new” or “ready” status.

The audit compliance report identified 12 ICPs at “ready” status for more than 24 months, these were examined and found that ten ICPs listed are where the ICP has been split, and the remaining two ICPs have now been moved to “decommissioned - set up in error”.

EA Networks had nominated the existing trader for the ten “ready” ICPs that were split between December 2019 and January 2020 however the traders have not accepted the ICPs, and some of the original ICPs have now switched to another trader. EA Networks advised they have not had the resource to follow up with the traders. I recommend that EA Networks follow up with the new traders of the original ICPs to accept the ICPs at “ready”.

Recommendation	Description	Audited party comment	Remedial action
“New” and “ready” ICPs	Follow-up with traders to claim the ICPs at “ready” status that were required to be created for split ICPs.	EA Networks will include the follow-up in its current work programme and will monitor future ICPs in that remain in the new or ready status.	Identified

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.14 With: Clause 15 Schedule 11.1  From: 01-Jun-21 To: 15-Sep-22	10 ICPs at “ready” status not followed up with the nominated trader.  Potential impact: Low  Actual impact: Low  Audit history: One  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. EA Networks must follow-up with the customer, if the trader does not accept responsibility.  The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have undertaken a review of EA Networks’ processes to identify how the non-compliance occurred.		November 2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The ICPs relate to an historic work programme of splitting ICPs. Retailers and customers are reluctant to adopt the additional ICPs and these remaining 10 have proven problematic. The outstanding ICPs were not followed up for a period following staff changes in the Commercial department. They have been added to the current work programme and will be followed up again.		November 2022 to February 2023	

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

#### Code reference

Clause 7(6) Schedule 11.1

#### Code related audit information

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

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

### Audit observation

The registry list as of 15 September 2022 was reviewed to identify any generation stations with capacity of 10 MW or more and determine compliance.

### Audit commentary

ICP 0000026335EA378 has a capacity greater than 10 MW (28 MW) and it has a unique loss category (H01). There has been no new embedded generation greater than 10MW created during the audit period.

### Audit outcome

Compliant

## 3.16. Electrical connection of a point of connection (Clause 10.33A)

### Code reference

### Code reference

*Clause 10.33A(4)*

### Code related audit information

*No participant may electrically connect a point of connection or authorise the electrical connection of a point of connection, other than a reconciliation participant.*

### Audit observation

Processes were examined for the connection of ICPs and NSPs.

### Audit commentary

EA Networks will only connect a point of connection on receipt of a job from Delta, for the trader responsible in the registry. EA Networks are aware of their obligation to ensure that the trader has provided approval before streetlights are connected. Approval as part of EA Networks' new connection process is discussed in **section 3.2**.

New connections of streetlights circuits are recorded in RAMM in accordance with EA Networks' agreement with Ashburton District Council, and in turn the trader.

### Audit outcome

Compliant

## 3.17. Electrical disconnection of a point of connection (Clause 10.30C and 10.31C)

### Code reference

*Clause 10.30C and 10.31C*

### Code related audit information

*A distributor can only disconnect, or electrically disconnect an ICP on its network:*

- *if empowered to do so by legislation (including the Code)*
- *under its contract with the trader for that ICP or NSP*
- *under its contract with the consumer for that ICP*

### Audit observation

Processes were examined for the disconnection of ICPs and NSPs.

### Audit commentary

EA Networks understand their responsibilities in relation to this clause. They only conduct electrical disconnection for safety, and they only conduct disconnection where ICPs are to be decommissioned as requested by the trader.

#### **Audit outcome**

Compliant

### 3.18 Meter bridging (Clause 10.33C)

#### **Code reference**

*Clause 10.33C*

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

*A distributor may only electrically connect an ICP in a way that bypasses a meter that is in place (“bridging”) if the distributor has been authorised by the responsible trader.*

*The distributor can then only proceed with bridging the meter if, despite best endeavours:*

- *the MEP is unable to remotely electrically connect the ICP*
- *the MEP cannot repair a fault with the meter due to safety concerns*
- *the consumer will likely be without electricity for a period which would cause significant disadvantage to the consumer*

*If the distributor bridges a meter, the distributor must notify the responsible trader within 1 business day and include the date of bridging in its advice.*

#### **Audit observation**

The EA Networks process for bridging control devices was examined.

#### **Audit commentary**

EA Networks may bridge a meter if a trader provides a service request. The retailer also issues a job to Delta, Delta request the outcome from the fault to determine if the meter requires unbridging. Delta may request EA to unbridge the meter, EA are working under the Delta test house and use the Delta seals to complete this.

#### **Audit outcome**

Compliant

## 4. MAINTENANCE OF REGISTRY INFORMATION

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

#### Code reference

*Clause 8 Schedule 11.1*

#### Code related audit information

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

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

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

*If the change to the NSP identifier is for more than 10 business days, the notification must be provided no later than the 13<sup>th</sup> business day and be backdated to the date the change took effect.*

*In the case of decommissioning an ICP, notification must be given by the later of 3 business days after the registry manager has advised the distributor that the ICP is ready to be decommissioned, or 3 business days after the distributor has decommissioned the ICP.*

*In the case of a change to price category codes, where the change is backdated, no later than 3 business days after the distributor and the trader responsible for the ICP agree on the change.*

#### Audit observation

The management of registry updates was reviewed.

The registry list as of 5 September 2022 and the combined registry compliance audit reports from 1 June 2021 to 15 September 2022 were examined. A diverse sample of a minimum of ten (or all if there were less than ten examples) backdated events by event type were reviewed to determine the reasons for the late updates.

#### Audit commentary

When information that is held by the registry changes, the distributor responsible for that ICP must provide notice to the registry of that change within three business days of that change taking effect.

Compliance for initial population of address, network, pricing, and status information is assessed in **sections 3.4** and **3.5**. Paperwork is scanned and emailed, and a hard copy is also provided.

#### Address events

There were 12,721 address updates, 94.5% were made on time with an average time to update the registry of 7.66 days. There were 36 late address updates. I checked a sample of 10 from the 36 late updates and found

- five were due to delays related to Covid-19,
- three were corrections to errors on the registry, and not related to an address update, and
- two were adding additional details to the address.

#### Network events – addition of distributed generation

The network events evaluated excluded those relating to the population of the initial electrical connection dates (discussed in **section 3.5**), NSP changes (discussed below) and the initial network events relating to the creation of ICPs.

The network event compliance report was examined and recorded 18 late network updates. Seven ICPs were examined and found that six were late due to the delay in receiving paperwork from the installers and one was due to a process management error.

#### **Network events – other**

The AC020 report recorded three ICPs where network fields other than distributed generation details were updated more than three business days after the event date. They were all data entry corrections for the IECD.

#### **Pricing events**

The AC020 report recorded 40 ICPs where pricing details were updated more than three business days after the event date.

ICPs are initially created with a POA pricing code and updated to an actual pricing code once network connection information is received. Clause 7(3) Schedule 11.1 requires actual pricing information to be updated within ten business days of initial electrical connection. Ten ICPs were examined and found that

- seven of the updates were due to late paperwork from the contractor,
- two were corrections to the ICED rather than a correction to the price code, and
- one was an update from POA to the price code.

#### **Status events**

The management of decommissioned ICPs is discussed in **section 4.11**.

The AC020 report recorded five ICPs where the status was updated to “decommissioned” more than three business days after the event date, and more than three business days after the trader’s update to “ready for decommissioning” status. 93.89% of updates were on time, and the average business days between the event date and update date was four days.

#### **NSP changes**

Review of the AC020 report found that three NSP changes were made more than three business days after the event date. These were examined and found that all three were data entry for solar connections that were inadvertently backdated.

#### **Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1  From: 01-Jun-21 To: 15-Sep-22	36 late address events. 18 late network updates to distributed generation details. Three late network updates to fields other than distributed generation details. 40 late pricing events. Five late updates to decommissioned status. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	Controls are rated as moderate because are sufficient to ensure that the registry is updated within three business days most of the time.  The risk rating is low because there may be a minor impact on other participants. Processing corrections improves compliance with the completeness and accuracy requirements.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have undertaken a review of EA Networks' processes to identify how the non-compliance occurred.		November 2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>In some situations, we are unable to avoid backdated transactions on the registry, including:</p> <ul style="list-style-type: none"> <li>• Where the registry prevents us from loading a decommissioning transaction until after the retailer has made its updates. In these situations, we add “DECOM” to the property description field, and our daily discrepancy reporting lets us know when the update can be applied.</li> <li>• Where customers install solar and don’t tell us they have done so we are unable to update the registry. We reinforce the requirement to advise us when generation is installed in our application approvals, and we follow up situations where a retailer advises that export metering has been installed.</li> <li>• Where a retailer asks us to reverse and then reapply transactions so that it can correct its transactions.</li> </ul> <p>In other situations, the updates are late as a result of delays in our field service staff processes, and we have taken the opportunity to highlight the need for timely updates from our contractors.</p> <p>We have added a process to report on late transactions on a monthly basis, so that trends can be identified and addressed, and information collated for subsequent audits.</p>	<p>November 2022</p>	
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#### 4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1)

##### Code reference

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

##### Code related audit information

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

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

##### Audit observation

The process to determine the correct NSP was examined. The combined registry compliance audit reports covering the period from 1 June 2021 to 15 September 2022 were examined to determine compliance.

##### Audit commentary

###### NSP assignment

The EA Networks Customer Information System automatically assigns ASB0661. If a new ICP is connected to embedded network URK0111, the NSP will be manually updated in the EA Networks Customer Information System.

###### NSP accuracy

Currently, all active ICPs are connected to either ASB0661 or embedded network URK0111.



Review of the AC020 report did not identify any instances where ICPs on a street have a different NSP to the other ICPs.

#### **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**

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

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 2 Schedule 11.1*

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

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

#### **Audit observation**

The process to determine correct and unique addresses was examined. The registry list file as of 15 September 2022, and the combined registry compliance audit reports covering the period from 1 June 2021 to 15 September 2022 were examined to confirm compliance.

#### **Audit commentary**

As discussed in **section 2.1**, a suite of registry reports are run daily, and any exceptions identified are reviewed and resolved. Addresses are checked to ensure that they are readily locatable at the time of application, the address is confirmed by the inspector as part of the inspection process.

The audit compliance report did not identify any ICPs with duplicate address information. Four ICPs were identified containing the Lot number in the address, EA Networks are proactive in updating and maintaining address information once this information is available from Council.

#### **Audit outcome**

Compliant

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

##### Code reference

Clause 3 Schedule 11.1

##### Code related audit information

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

##### Audit observation

This was examined as part of the new connection process and proof of process was checked as part of the sample of 20 new connections examined.

##### Audit commentary

For new connections, this clause is well understood. The Network Connection Form contains details of isolation (fusing) which confirms individual isolation points for each ICP.

##### Audit outcome

Compliant

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

##### Code reference

Clause 7(1) Schedule 11.1

##### Code related audit information

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

- *the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)*
- *the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)*
- *the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)*
- *the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)*
- *the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)*
- *if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):*
  - a) *the unique loss category code assigned to the ICP*
  - b) *the ICP identifier of the ICP*
  - c) *the NSP identifier of the NSP to which the ICP is connected*
  - d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*

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

#### **Audit observation**

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. EA Networks has a fully automated registry update process, which ensures all information listed in this clause is provided to the registry.

The registry list file as of 15 September 2022, and the combined registry compliance audit reports covering the period from 1 June 2021 to 15 September 2022 were reviewed to determine compliance. A sample using the typical characteristics methodology of data discrepancies or all if there were less than ten ICPs were checked.

#### **Audit commentary**

Registry data validation processes are discussed in **section 2.1**. All ICP information was checked and confirmed compliant unless discussed below.

#### **Installation type and generation details**

Analysis of the registry list confirmed there are 372 active ICPs with generation capacity recorded and increase from 293 during the previous audit. All ICPs with generation capacity have a non-zero generation capacity, a fuel type, and an installation type of "B" or "G" recorded on the registry.

There were five ICPs with generation metering installed and a retailer profile indicating generation is present and no generation capacity recorded by EA Networks. I confirmed that:

- three solar installations has been removed,
- one ICP the application has been approved but it has not yet been installed, and
- one ICP EA Networks do not have any record of any application for generation.

Recommendation	Description	Audited party comment	Remedial action
Installation type and generation details	EA Networks to liaise with the trader to confirm why they have the DG profile applied.	EA Network notes that the Code allows metering for export to be installed and remain installed where there is no generation. We are aware that one metering equipment provider has elected to configure and include export registers by default.  Moving forward, we think this will provide a useful resource to monitor the installation of generation as export volumes will be recorded and visible, rather than hidden.  Where a meter is specifically changed to include an export register, we follow up with the customer to check if generation has or will be installed.  For the ICP mentioned in the final point, the export metering was configured more than 2 years ago, prior to the period covered by this audit, and when the ICP was with a different retailer.	Identified

### Unmetered load

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

A recommendation was made in the last audit to ensure unmetered load details are recorded on the registry for any new unmetered load connections. Five new connections created within the audit period, with unmetered load were checked and the details were recorded in the correct format on the registry.

### Initial Electrical Connection date

Initial electrical connection dates are recorded from connection paperwork received from EA Networks inspectors once connection is complete. 416 ICPs that were created and electrically connected during the audit period had an initial electrical connection date recorded.

Examination of the AC020 report found 14 ICPs where the Status Event Date and the Initial Electrically Connected Date do not align as expected. Eight ICPs were examined and found:

- the paperwork was reviewed for four ICPs, and this confirmed that the IECD date was correct,
- three ICPs have been split; this was a paperwork exercise to establish an ICP for each point of connection to the network and EA Networks agreed with the trader that the initial electrical

connection date would be populated with the date that the data was collected from site (the trader has a different date, which is why these do not align), and

- one ICP had an error, this was identified and corrected as a result of the audit.

### Audit outcome

#### Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1)(o)&(p) Schedule 11.1 From: 01-Jun-21 To: 15-Sep-22	One ICP with the incorrect initial electrical connection date recorded. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are rated as strong as they will eliminate risk to an acceptable level. The audit impact is assessed to be low due to one ICP with an incorrect initial electrical connection date recorded.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have undertaken a review of EA Networks' processes to identify how the non-compliance occurred.		November 2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The issue was an isolated data entry error for a single ICP. Our planned monthly review of registry audit reports will identify any future occurrences, allowing us to correct and subsequent errors.		From November 2022	

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

##### Code reference

Clause 7(3) Schedule 11.1

##### Code related audit information

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

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

### Audit observation

The management of registry information was reviewed. The registry list as of 5 September 2022 and the combined registry compliance audit reports from 1 June 2021 to 15 September 2022 were reviewed to determine compliance.

### Audit commentary

ICPs are created with a POA pricing code, this is updated when the connection form is returned after the inspection has been completed, the information is checked against the fuse size, and it is loaded into the Customer Information system. The system will only accept valid price categories.

The audit compliance report confirmed that all pricing updates for new connections were made within the required timeframe.

### 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

I checked the list file for ICPs with GPS coordinates.

### Audit commentary

EA Networks does not use GPS coordinates.

### 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

The management of ICPs in relation to the use of the “ready” status was examined. The registry list as of 5 September 2022 and the combined registry compliance audit reports from 1 June 2021 to 15 September 2022 were reviewed to determine compliance.

#### **Audit commentary**

EA Networks’ current process is to create all ICPs at the “ready” status. All ICPs at “ready” status had a single price category assigned and proposed trader identified.

The registry list showed 31 ICPs currently at “ready” status, 12 have been at “ready” status for more than two years. This is discussed further in **section 3.14**.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 16 Schedule 11.1*

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

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

#### **Audit observation**

The registry list was reviewed to identify ICPs at “distributor” status.

#### **Audit commentary**

There are two ICPs with “distributor” status, they are points of connection between embedded network TAC0011 and the parent network EASH.

No shared unmetered load is recorded on the network. Shared unmetered load is discussed further in **section 7.1**.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 20 Schedule 11.1*

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

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

*Decommissioning only occurs when:*

- *electrical installations associated with the ICP are physically removed (Clause 20(2)(a) of Schedule 11.1); or*
- *there is a change in the allocation of electrical loads between ICPs with the effect of making the ICP obsolete (Clause 20(2)(b) of Schedule 11.1); or*

- *in the case of a distributor only ICP for an embedded network, the embedded network no longer exists (Clause 20(2)(c) of Schedule 11.1).*

#### **Audit observation**

The registry list file as of 15 September 2022, and the combined registry compliance audit reports covering the period from 1 June 2021 to 15 September 2022 examined to identify ICPs at the “decommissioned” or “ready for decommissioning” status.

A diverse sample of ten “decommissioned” ICPs were examined.

#### **Audit commentary**

EA Networks moves ICPs to “decommissioned” status once an application for decommissioning has been received from the trader, the registry has been updated to “ready for decommissioning status”, the decommissioning process is complete, and paperwork is received. The decommissioning paperwork was checked for ten ICPs and confirmed the correct date has been used for decommissioning.

Examination of the list file found no ICP’s at “ready for decommissioning” status.

#### **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**

I checked the price category code table for any new or changed codes during the audit period.

#### **Audit commentary**

There were no changes during the audit period.

#### **Audit outcome**

Compliant



## 5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

#### Code reference

*Clause 21 Schedule 11.1*

#### Code related audit information

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

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

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

#### Audit observation

I checked the loss category code table for any new codes during the audit period.

#### Audit commentary

There were no additional codes created during the audit period.

#### 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 in the registry, the distributor must enter the replaced loss factor on the table in the registry.*

#### Audit observation

The loss category code table on the registry was examined.

#### Audit commentary

EASH updated the loss factor values for the following codes during the audit period. All were notified within the required timeframe.

Only one factor is applied per calendar month.

Loss Code	Start Date	Last Updated
H01	1/04/2022	20/01/2022
H02	1/04/2022	20/01/2022
L01	1/04/2022	20/01/2022
M01	1/04/2022	20/01/2022
M02	1/04/2022	20/01/2022
M03	1/04/2022	20/01/2022
M04	1/04/2022	20/01/2022
M05	1/04/2022	20/01/2022
U01	1/04/2022	20/01/2022

**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 give written notice to the reconciliation manager of the creation or decommissioning.*

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

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

*The notice provided to the reconciliation manager must be provided no later than 30 days prior to the intended date of creation or decommissioning.*

*If the intended date of creation or decommissioning changes the distributor must provide an updated notice as soon as possible.*

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

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

#### Audit observation

The NSP table on the registry was examined.

#### Audit commentary

The NSP table on the registry was examined. No NSPs were created or decommissioned during the audit period.

#### 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 month before the NSP is electrically connected or the ICP is transferred.*

#### **Audit observation**

The NSP table on the registry was examined.

#### **Audit commentary**

No new NSPs were created or decommissioned by EA Networks during the audit period.

#### **Audit outcome**

Compliant

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

#### **Code reference**

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

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

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

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

#### **Audit observation**

The NSP table on the registry was examined.

#### **Audit commentary**

The NSP table on the registry was examined. No new balancing areas were created during the audit period.

#### **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 give notice to the reconciliation manager at least one month before the creation or transfer of:*

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

#### **Audit observation**

The NSP table was reviewed.

#### **Audit commentary**

EA Networks have not created any new embedded networks during the audit period.

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

#### **Audit observation**

The NSP table on the registry was examined.

#### **Audit commentary**

No balancing area changes have occurred during the audit period.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 27 Schedule 11.1*

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

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

#### **Audit observation**

The NSP table was reviewed.

#### **Audit commentary**

No existing ICPs became NSPs during the audit period.

#### **Audit outcome**

Compliant

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

### Code reference

Clause 1 to 4 Schedule 11.2

### Code related audit information

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

### Audit observation

The NSP table was reviewed.

### Audit commentary

EA Networks has not initiated the transfer of any ICPs during the audit period.

### 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 advise the reconciliation manager of:*

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

### Audit observation

The NSP table and code exemption information was reviewed.

### Audit commentary

EA Networks does not have responsibility for any NSP metering.

As discussed in **section 1.1**, exemption number 163 exempts EA Networks from provision of a metering installation at the point of connection for the URK0111 (Upper Rakia) embedded network until 31 May 2023.

EA Networks is working with the Department of Conservation for the installation of a gateway meter, and connecting cables over the Rakia River, they have resource consent for this. The work has not been completed and it is now estimated to be complete in February 2023.

### 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 the reconciliation participant for the NSP (Clause 10.25(2)(b)); and*
- *no later than 5 business days after the date of certification of each metering installation, advise the reconciliation manager of*
  - a) the MEP for the NSP (Clause 10.25(2)(c)(i)); and*
  - b) the NSP of the certification expiry date (Clause 10.25(2)(c)(ii)).*

### Audit observation

The NSP table on the registry was examined.

### Audit commentary

EA Networks did not create any new NSPs during the audit period.

### 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 give written notice to:*

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

*at least one month's notification is required before the acquisition (Clause 29(2) of Schedule 11.1).*

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

### Audit observation

The NSP supply point table was reviewed.

### Audit commentary

EA Networks have not initiated any changes of network owner.

### **Audit outcome**

Compliant

## **6.11. Change of MEP for embedded network gate meter (Clause 10.22(1)(b))**

### **Code reference**

*Clause 10.22(1)(b)*

### **Code related audit information**

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

### **Audit observation**

The NSP supply point table was reviewed.

### **Audit commentary**

EA Networks does not have responsibility for any NSP metering.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clauses 5 and 8 Schedule 11.2*

### **Code related audit information**

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

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

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

### **Audit observation**

The NSP supply point table was reviewed.

### **Audit commentary**

EA Networks has not initiated the transfer of any ICPs during the audit period.

### **Audit outcome**

Compliant



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

#### **Code reference**

*Clause 6 Schedule 11.2*

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

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

#### **Audit observation**

The NSP supply point table was reviewed.

#### **Audit commentary**

EA Networks has not initiated the transfer of any ICPs during the audit period.

#### **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 give written notice to the registry manager and each trader responsible for the ICPs across which the unmetered load is shared of the ICP identifiers of those ICPs.*

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

#### Audit observation

The registry list as of 15 September 2022 was examined to determine compliance.

#### Audit commentary

EA Networks has not recorded any shared unmetered load.

I confirmed that there were no other points of connection without an ICP or shared unmetered ICP recorded.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 11.14(5)*

#### Code related audit information

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

#### Audit observation

The registry list as of 15 September 2022 was examined to determine compliance.

#### Audit commentary

EA Networks does not have any shared unmetered load recorded.

#### Audit outcome

Compliant

## 8. CALCULATION OF LOSS FACTORS

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

#### Code reference

Clause 11.2

#### Code related audit information

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

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

#### Audit observation

The “Guidelines on the calculation and the use of loss factors for reconciliation purposes” was published on 26 June 2018. I have assessed EA Networks’ process and compliance against the guideline’s recommended thresholds.

I reviewed correspondence and documentation relating to the loss factor review.

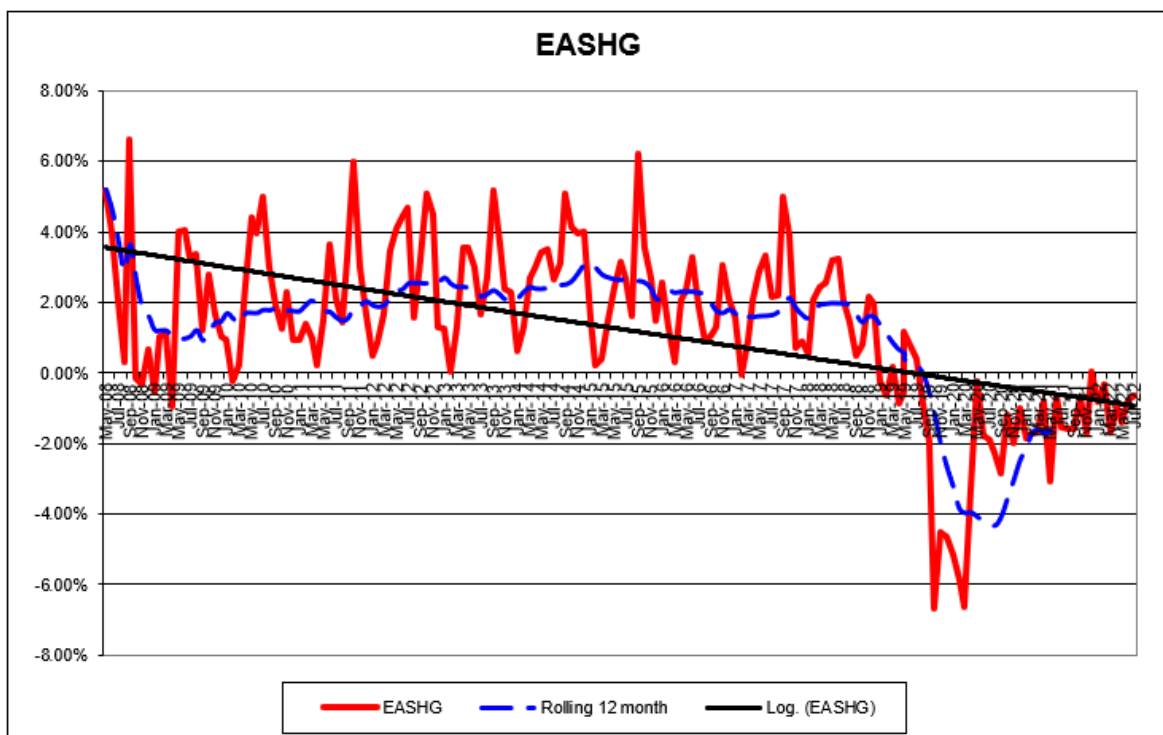
#### Audit commentary

EA Networks monitors reconciliation losses for each financial year. Losses are tracked monthly by reviewing reconciliation results provided by the reconciliation manager.

Loss factor reviews are completed annually and follow the EA’s guidelines, and are submitted to the EA.

A loss factor review is completed in November/December each year and is available for the 1 April price publication. I confirmed that the updated loss factors recorded on the registry were consistent with the revised loss factor calculations.

EA Networks losses are tracking within the accepted +/-1% threshold.



**Audit outcome**

Compliant

## CONCLUSION

EA Networks have good controls and processes in place and continue to show improvement of their compliance during the audit period . The connection paperwork is returned from the field and details are updated. The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. The EDA file is requested from the registry each night and loaded into CIS, daily reporting is in place and used to check for discrepancies. Any discrepancies found are investigated and updated as required.

As previously reported the remaining small number of new ICPs that have been created to accommodate an ICP split require monitoring and follow-up. These ICPs are appearing on a number of exception reports and should be followed up to ensure the trader accepts responsibility. EA Networks nominated the existing trader, but some of the original ICPs have now switched to another trader. They must follow up with the customer where a trader is unable to create the new ICP or does not accept responsibility.

This audit found four non-compliances and makes two recommendations. The audit risk rating is six, and the next audit frequency table indicates that the next audit be due in 18 months. I have considered this in conjunction with EA Networks' responses and I recommend that the next audit is in 18 months.

## PARTICIPANT RESPONSE

EA Networks has reviewed this distributor audit report and agrees with the findings.