

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

Orion New Zealand Limited

NZBN: 9429039415035

The logo for Orion, featuring the word "Orion" in a bold, green, sans-serif font with a slight shadow effect.

Prepared by: Brett Piskulic

Date audit commenced: 4 May 2022

Date audit report completed: 30 July 2022

Audit report due date: 22-Aug-22

TABLE OF CONTENTS

Executive summary.....	4
Audit summary	5
Non-compliances	5
Recommendations.....	6
Issues 6	
1. Administrative	7
1.1. Exemptions from Obligations to Comply with Code (Section 11)	7
1.2. Structure of Organisation.....	8
1.3. Persons involved in this audit.....	9
1.4. Use of contractors (Clause 11.2A)	10
1.5. Supplier list.....	10
1.6. Hardware and Software	10
1.7. Breaches or Breach Allegations.....	10
1.8. ICP and NSP Data	11
1.9. Authorisation Received.....	13
1.10. Scope of Audit	13
1.11. Summary of previous audit.....	14
2. Operational Infrastructure	16
2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1))	16
2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2))	17
2.3. Removal or breakage of seals (Clause 48(1A) and 48(1B) of Schedule 10.7).....	17
2.4. Provision of information on dispute resolution scheme (Clause 11.30A)	19
3. Creation of ICPs	20
3.1. Distributors must create ICPs (Clause 11.4).....	20
3.2. Participants may request distributors to create ICPs (Clause 11.5(3))	20
3.3. Provision of ICP Information to the registry (Clause 11.7).....	21
3.4. Timeliness of Provision of ICP Information to the registry (Clause 7(2) of Schedule 11.1).....	21
3.5. Timeliness of Provision of Initial electrical connection Date (Clause 7(2A) of Schedule 11.1)	22
3.6. Connection of ICP that is not an NSP (Clause 11.17)	24
3.7. Connection of ICP that is not an NSP (Clause 10.31)	25
3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A)	26
3.9. Connection of NSP that is not point of connection to grid (Clause 10.30)	26
3.10. Electrical connection of NSP that is not point of connection to grid (Clause 10.30A and 10.30B)	27
3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1).....	27
3.12. Loss category (Clause 6 Schedule 11.1)	28
3.13. Management of “new” status (Clause 13 Schedule 11.1)	28
3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1)	29
3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1)	29
3.16. Electrical connection of a point of connection (Clause 10.33A)	30
3.17. Electrical disconnection of a point of connection (Clause 10.30C and 10.31C)	30
3.18. Meter bridging (Clause 10.33C).....	31
4. Maintenance of registry information.....	33

4.1.	Changes to registry information (Clause 8 Schedule 11.1)	33
4.2.	Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1).....	36
4.3.	Customer queries about ICP (Clause 11.31).....	37
4.4.	ICP location address (Clause 2 Schedule 11.1).....	37
4.5.	Electrically disconnecting an ICP (Clause 3 Schedule 11.1).....	38
4.6.	Distributors to Provide ICP Information to the Registry (Clause 7(1) Schedule 11.1) ...	38
4.7.	Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1)	42
4.8.	GPS coordinates (Clause 7(8) and (9) Schedule 11.1).....	43
4.9.	Management of “ready” status (Clause 14 Schedule 11.1)	43
4.10.	Management of “distributor” status (Clause 16 Schedule 11.1).....	44
4.11.	Management of “decommissioned” status (Clause 20 Schedule 11.1).....	44
4.12.	Maintenance of price category codes (Clause 23 Schedule 11.1).....	45
5.	Creation and maintenance of loss factors.....	46
5.1.	Updating table of loss category codes (Clause 21 Schedule 11.1)	46
5.2.	Updating loss factors (Clause 22 Schedule 11.1).....	46
6.	Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs)47	
6.1.	Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1) ...	47
6.2.	Provision of NSP information (Clause 26(1) and (2) Schedule 11.1)	48
6.3.	Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1)	48
6.4.	Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)49	
6.5.	Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1)	49
6.6.	Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1)	50
6.7.	Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)	50
6.8.	Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1))	50
6.9.	Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2))	51
6.10.	Obligations concerning change in network owner (Clause 29 Schedule 11.1)	52
6.11.	Change of MEP for embedded network gate meter (Clause 10.22(1)(b))	52
6.12.	Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2).....	53
6.13.	Transfer of ICPs for embedded network (Clause 6 Schedule 11.2)	53
7.	Maintenance of shared unmetered load	54
7.1.	Notification of shared unmetered load ICP list (Clause 11.14(2) and (4))	54
7.2.	Changes to shared unmetered load (Clause 11.14(5))	55
8.	Calculation of loss factors.....	56
8.1.	Creation of loss factors (Clause 11.2)	56
Conclusion	57
Participant response	58

EXECUTIVE SUMMARY

This distributor audit was performed at the request of Orion New Zealand Limited (Orion), 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.

Orion have continued their strong focus on compliance which is reflected in the result of this audit.

There were two new areas of non-compliance identified in relation to changes to the Code introduced in February 2021. A distributor is required to re-seal control devices if seals are removed in order to bridge a control device and notify the trader and MEP of the removed seals. Distributors are permitted to bridge meters in order to restore supply to a consumer provided authorisation is first gained from the trader. Orion does seek authorisation, but this is not always gained, particularly in after-hours situations.

The audit found nine non-compliances. Orion has robust well documented processes in place and a high level of compliance was found in this audit. The indicative audit frequency table indicates that the next audit be in 12 months. I have considered this in conjunction with the fact that controls were rated as strong for eight of the nine non-compliances and the audit risk rating is low for all non-compliances found and recommend that the next audit be 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
Complete and accurate information	2.1	11.2(1)	Incorrect event date applied to registry for the initial electrical connection date update.	Strong	Low	1	Investigating
Removal or breakage of seals	2.3	48(1A) and 48(1B) of Schedule 10.7	Seals not replaced and MEP not notified when control devices are bridged.	Moderate	Low	2	Identified
Ready updates	3.4	7(2) of Schedule 11.1	59 ICPs changed to "ready" after electrical connection.	Strong	Low	1	Identified
Provision of the initial electrical connection date	3.5	7(2A) of Schedule 11.1	210 late updates of the initial electrical connection date.	Strong	Low	1	Identified
Connection of an ICP that not an NSP	3.6	11.17	59 ICPs electrically connected prior to a trader being recorded as having accepted responsibility.	Strong	Low	1	Identified
Meter bridging	3.18	33C	Approval from trader not always gained when meters are bridged.	Strong	Low	1	Identified
Registry updates	4.1	8 Schedule 11.1	Updates to registry backdated greater than three business days of the event.	Strong	Low	1	Identified
Registry accuracy	4.6	7(1) Schedule 11.1	One initial electrical connection date recorded in error. One ICP with incorrect distributor un-metered load recorded.	Strong	Low	1	Identified

Shared unmetered load	7.1	11.14(2) and (4)	Unmetered load recorded as shared unmetered load when it should be recorded as standard unmetered load and the SI ICPs be decommissioned.	Strong	Low	1	Identified
Future Risk Rating						10	

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	Clause	Recommendation
			Nil

ISSUES

Subject	Section	Recommendation	Description
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

Orion has one exemption in place (204), which allows for an interconnection point to be unmetered.

This exemption expires when one of the following occurs:

- a. the close of 1 September 2022,
- b. the number of installation control points (“ICPs”) on Orion’s local network (BRY0661) that can be back-fed by MainPower’s local network (KAI0111) exceeding 500,
- c. the number of ICPs on MainPower’s local network (KAI0111) that can be back-fed by Orion’s local network (BRY0661) exceeding 500,
- d. there having been more than six outages on the existing interconnection point between Orion’s local network (BRY0661) and MainPower’s local network (KAI0111) in the period starting on 7 July 2017 and ending on 31 August 2018, and for every subsequent year, the period of 12 months starting on 1 September and ending on 31 August of the following year.”

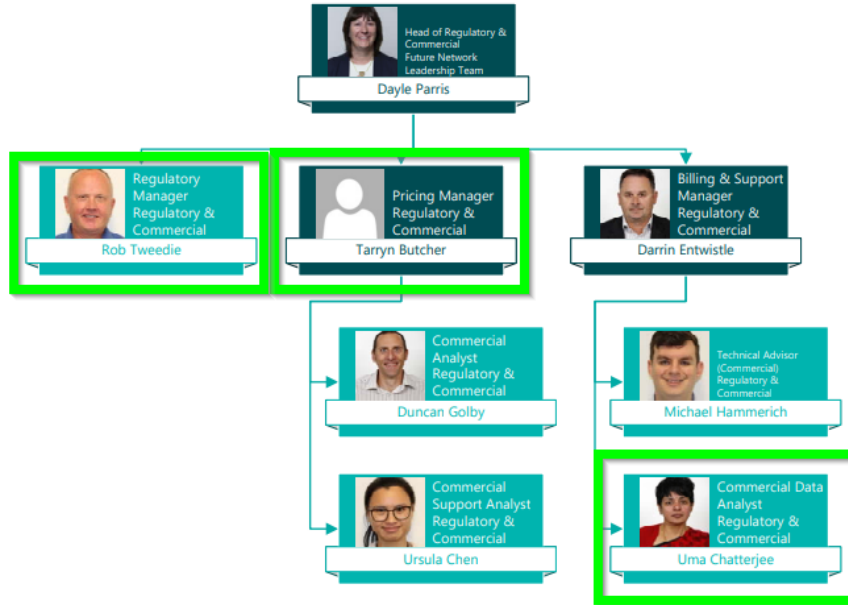
Audit commentary

This exemption is still in place until 1 September 2022 and the number of ICPs and outages have not exceeded the limits prescribed in the exemption. Orion is in the process of applying to have the exemption extended beyond 1 September 2022.

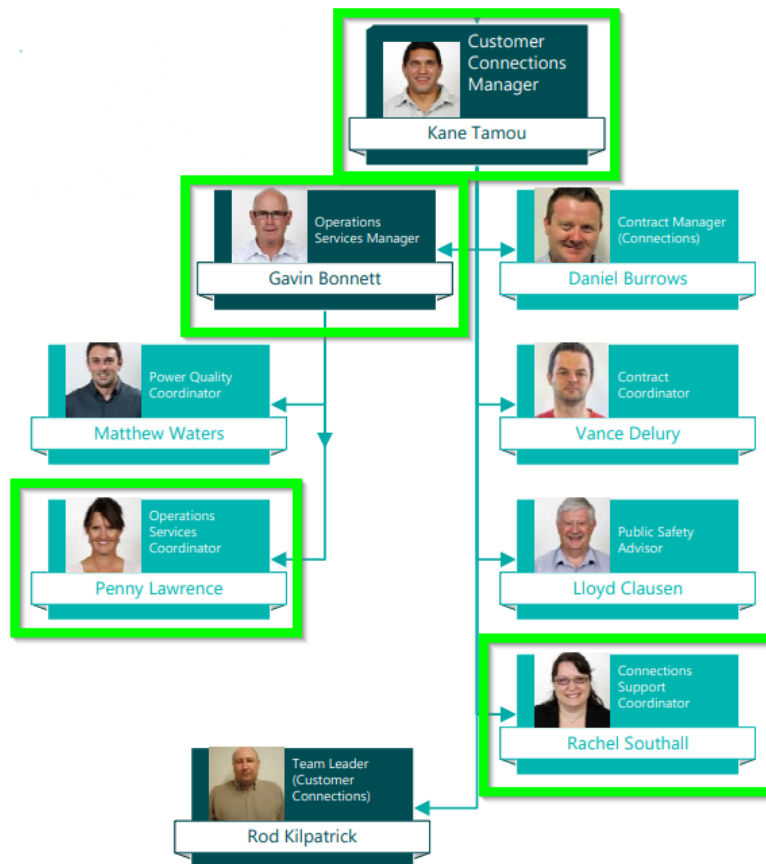
1.2. Structure of Organisation

Orion provided organisation charts for the relevant parts of the business which are shown below.

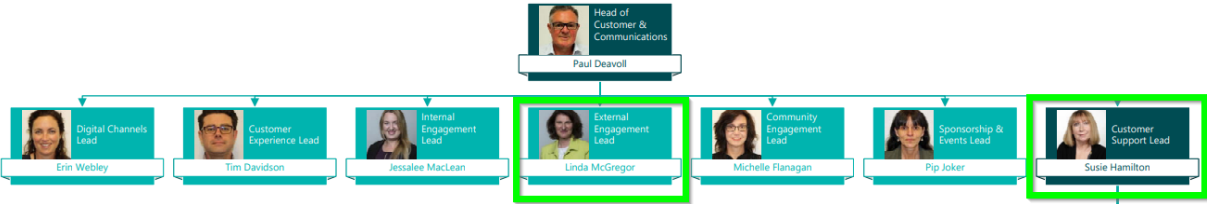
Regulatory & Commercial



Customer Connections



Customer & Communications



1.3. Persons involved in this audit

Auditor:

Brett Piskulic

Veritek Limited

Electricity Authority Approved Auditor

Orion personnel assisting in this audit were:

Name	Title
Rob Tweedie	Regulatory Manager
Gavin Bonnett	Operations Services Manager
Kane Tamou	Customer Connections Manager
Penny Lawrence	Operations Services Co-ordinator
John Deed	Operations Support Engineer
Rachel Southall	Customer Support Co-ordinator
Uma Chatterjee	Commercial Data Analyst
Taryn Butcher	Pricing Manager
Linda McGregor	External Engagement Lead
Susie Hamilton	Customer Support Lead
Brent Davidson	Field Services Manager

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

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

Audit commentary

Only a small number of contractors are engaged, and they are all deemed competent by Orion. The contractors are:

- Delta,
- SafePower,
- Telpower, and
- Southern Network Services.

1.5. Supplier list

As mentioned above, the field contractors are as follows:

- Delta,
- SafePower,
- Telpower, and
- Southern Network Services.

1.6. Hardware and Software

Orion uses the following systems:

- PowerOn Advantage / GE - Real time high voltage network connectivity model, and
- Microsoft tools - Connection management and registry interface.

Orion's backup and security measures are in accordance with standard industry protocols.

1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there had been one alleged breach related to this audit scope for Orion for the audit period. The breach related to a finding in the last audit and resulted in a decision to decline to pursue without warning. Details of the alleged breach are as follows - Orion conducted its EA Audit on 11th August 2020. A minor non-conformance relating to NSP updates to the registry was

identified. An investigation of this non-conformance identified a further issue - the GXP listing file that reports NSP updates to the registry as part of an automated process, for some unknown reason, became corrupt and locked in November 2019 preventing reporting through to the registry. There was no alert to identify the issue and so it went unnoticed. This audit found that there have not been any further issues with NSP updates.

1.8. ICP and NSP Data

Orion has responsibility for the Orion local network. There have been no changes during the audit period. The table below sets out the details.

Distributor	NSP POC	Description	Balancing Area	Network Type	Start Date	No of active ICPs
ORON	APS0111	ARTHURS PASS	RNBAL03ORONG	G	01-05-08	161
ORON	BRY0661	BROMLEY	RNBAL01ORONG	G	01-05-14	54,150
ORON	CLH0111	CASTLE HILL	RNBAL05ORONG	G	01-05-08	233
ORON	COL0111	COLERIDGE	RNBAL06ORONG	G	01-05-08	123
ORON	HOR0331	HORORATA	RNBAL01ORONG	G	14-04-14	3,358
ORON	HOR0661	HORORATA	RNBAL01ORONG	G	14-04-14	827
ORON	ISL0331	ISLINGTON	RNBAL01ORONG	G	01-05-08	16,187
ORON	ISL0661	ISLINGTON	RNBAL01ORONG	G	01-05-14	137,182
ORON	KBY0661	KIMBERLEY	RNBAL01ORONG	G	14-04-14	947
ORON	KBY0662	KIMBERLEY	RNBAL01ORONG	G	14-04-14	0

There are 24 embedded networks connected to the Orion network. The details are shown in the table below.

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network Type	Start Date
CIAL	CIA0041	CHRISTCHURCH INTL AIRPORT	ISL0661	ORON	CIA0041CIALE	E	1/04/2019
CIAL	CIA0111	CHRISTCHURCH INTL AIRPORT	ISL0661	ORON	CIA0111CIALE	E	7/10/2021
CIAL	CIA0112	CHRISTCHURCH INTL AIRPORT	ISL0661	ORON	CIA0112CIALE	E	7/10/2021
EASH	URK0111	UPPER RAKAIA	COL0111	ORON	UPPERAKEASHE	E	1/05/2008
KIPT	NTL0011	Northland Shopping Mall	ISL0661	ORON	NTL0011KIPT	E	1/11/2012

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network Type	Start Date
SABL	SAC0011	ANZ CNR COLOMBO & CASHEL ST CHC	ISL0661	ORON	SAC0011SABLE	E	1/07/2020
TENC	CLN0011	351 LINCOLN ROAD ADDINGTON	ISL0661	ORON	CLN0011TENCE	E	1/01/2016
TENC	DSH0011	DRESS-SMART HORNBY	ISL0331	ORON	DSH0011TENCE	E	1/01/2022
TENC	ESC0011	Eastgate Shopping Centre	BRY0661	ORON	ESC0011TENCE	E	1/04/2022
TENC	MXS0011	South City Centre	ISL0661	ORON	MXS0011TENCE	E	10/10/2019
TENC	TBC0011	BNZ CENTRE CHRISTCHURCH	ISL0661	ORON	TBC0011TENCE	E	21/05/2018
TENC	TDS0011	AWLY BUILDING 80 ARMAGH ST CHCH	ISL0661	ORON	TDS0011TENCE	E	13/05/2018
TENC	TGR0011	141 CASHEL ST CHRISTCHURCH 8011	ISL0661	ORON	TGR0011TENCE	E	13/05/2018
TENC	THD0011	Hazeldean Business Park	ISL0661	ORON	THD0011TENCE	E	1/10/2019
TENC	THS0011	THE HSBC TOWER	ISL0661	ORON	THS0011TENCE	E	1/04/2015
TENC	TOX0011	32 Oxford Terrace	ISL0661	ORON	TOX0011TENCE	E	1/05/2019
TENC	TPC0011	PWC Centre 58 Cashel St ChCh	ISL0661	ORON	TPC0011TENCE	E	1/07/2021
TENC	TPS0011	The Palms	BRY0661	ORON	TPS0011TENCE	E	1/04/2022
TENC	TRM0011	RIVERSIDE MARKETS	ISL0661	ORON	TRM0011TENCE	E	1/01/2022
TENC	TTH0011	THE HUB 398 MAIN SOUTH ROAD	ISL0331	ORON	TTH0011TENCE	E	1/08/2014
TNPT	ASC0011	AVONHEAD	ISL0661	ORON	ASC0011TNPTE	E	1/05/2008
WFNZ	WRN0011	WESTFIELD RICCARTON	ISL0661	ORON	WRN0011WFNZE	E	1/04/2015
WFNZ	WRN0012	Westfield Riccarton	ISL0661	ORON	WRN0012WFNZE	E	1/04/2015
WFNZ	WRN0111	WESTFIELD RICCARTON	ISL0661	ORON	WRN0111WFNZE	E	1/04/2015

Orion provided a list of all ICPs as of 30 April 2022 by way of a registry “list file”. A summary of this data by “ICP status” is as follows:

Status	Number of ICPs 2022	Number of ICPs 2020	Number of ICPs 2019
New (999,0)	124	37	26
Ready (0,0)	377	347	195

Active (2,0)	213,168	204,935	200,255
Distributor (888,0)	199	168	156
Inactive – new connection in progress (1,12)	921	447	230
Inactive – electrically disconnected vacant property (1,4)	1,997	2,228	2,603
Inactive – electrically disconnected remotely by AMI meter (1,7)	627	595	666
Inactive – electrically disconnected at pole fuse (1,8)	22	20	11
Inactive – electrically disconnected due to meter disconnected (1,9)	32	27	26
Inactive – electrically disconnected at meter box fuse (1,10)	16	9	7
Inactive – electrically disconnected at meter box switch (1,11)	1	3	2
Inactive – electrically disconnected ready for decommissioning (1,6)	54	38	140
Inactive – reconciled elsewhere (1,5)	7	6	-
Decommissioned (3)	53,630	49,743	47,219

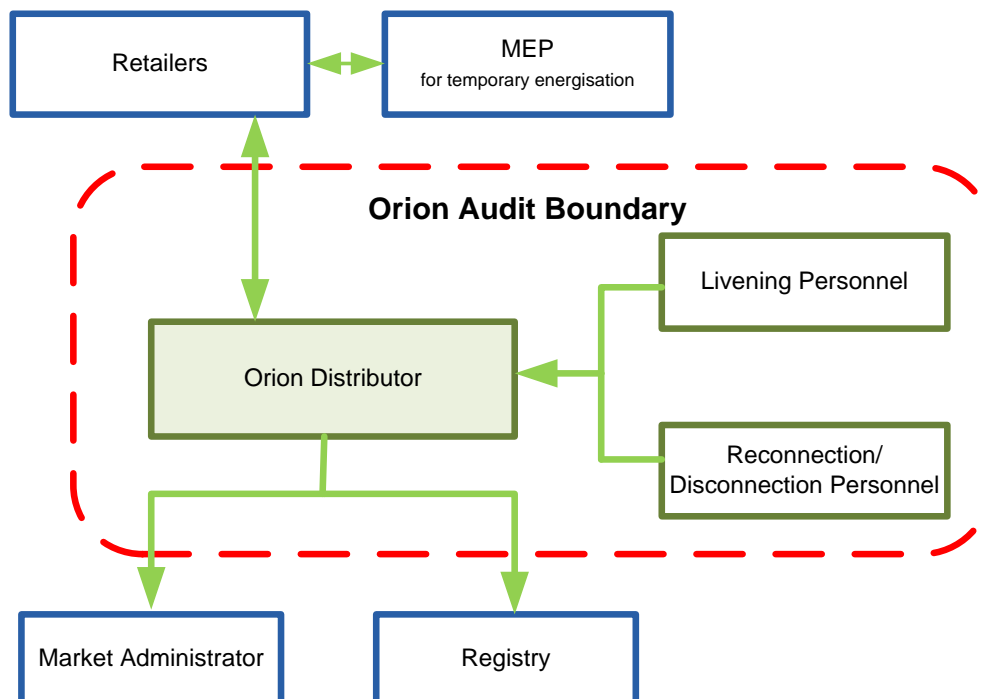
1.9. Authorisation Received

An authorisation email was provided.

1.10. Scope of Audit

This distributor audit was performed at the request of Orion, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11. The audit was carried out remotely using Microsoft teams, on 29th and 30th June 2022.

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



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

1.11. Summary of previous audit

The previous audit conducted in August 2020 by Rebecca Elliot of Veritek Limited was reviewed. The table below shows the status of the findings from the audit.

Table of non-compliance

Subject	Section	Clause	Non-compliance	Status
Complete and accurate information	2.1	11.2(1)	Incorrect event date applied to for the initial electrical connection date update.	Still existing
Ready updates	3.4	Clause 7(2) of Schedule 11.1	9 ICPs changed to “ready” after electrical connection.	Still existing
Provision of the initial electrical connection date	3.5	7(2A) of Schedule 11.1	144 late updates of the initial electrical connection date.	Still existing
Connection of an ICP that not an NSP	3.6	11.17	Nine ICPs electrically connected prior to a trader being recorded as having accepted responsibility.	Still existing
Registry updates	4.1	8 Schedule 11.1	Updates to registry backdated greater than three business days of the event.	Still existing
Notice of NSP for each ICP	4.2	7 (1)(b) Schedule 11.1	One ICP assigned to the incorrect NSP.	Cleared
Registry accuracy	4.6	7(1) Schedule 11.1	Three initial electrical connection dates incorrect.	Still existing
Shared unmetered load	7.1	11.14(2) and (4)	Unmetered load recorded as shared unmetered load when it should be recorded as standard unmetered load and the SI ICPs be decommissioned.	Still existing

Recommendations

Subject	Section	Clause	Recommendation	Status
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Change to registry	4.1	8 Schedule 11.1	I recommend that Orion send notifications for NSP changes to the registry after ten business days have elapsed.	Not adopted
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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 Part 11 is:

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

Audit observation

Orion's data management processes were examined. The list file as of 30 April 2022 and the combined registry compliance audit reports covering the period from 1 June 2020 to 30 April 2022 were examined to confirm compliance.

Audit commentary

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

As detailed in **sections 3.5**, the audit compliance report highlighted that the correct initial electrical connection date is being populated but all had the incorrect event date recorded in the registry. The data dictionary in the registry defines the event date as follows:

The Event Date defines the date from which the attribute values of the event should apply.

Therefore, the event date or effective date should be the same date as the initial electrical connection date. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: Clause 11.2(1) From: 01-Jan-19 To: 30-Apr-22	Incorrect event date applied to registry for the initial electrical connection date update. Potential impact: Low Actual impact: None Audit history: Once Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because they mitigate risk to an acceptable level. There is no impact to the market therefore I have rated the audit risk rating as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
We will review our registry updates which fall over midnight.		29/07/2022	Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
Update process to include above actions		31/12/2022	

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

Orion's data management processes were examined. The list file as of 30 April 2022 and the combined registry compliance audit reports covering the period from 1 June 2020 to 30 April 2022 were examined to confirm compliance.

Audit commentary

Orion has a comprehensive suite of discrepancy reports in place. These are managed on a daily basis to ensure that information is complete and accurate and is not misleading or deceptive. Any incorrect data is corrected upon discovery. I consider that any discrepancies are corrected as soon as practicable.

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 management of removal and breakage of seals was discussed.

Audit commentary

Orion may remove or break a seal to bridge control devices after hours as a result of direct contact from a customer. Orion does not replace the removed seals at the time of bridging, the trader is advised of the bridging and broken seals. No specific cases were available to review. I have recorded non-compliance as these clauses are specific in requiring the distributor to replace removed seals with their own seals and to advise both the MEP and Trader.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.3 With: Clause 48(1A) and 48(1B) of Schedule 10.7 From: 01-Feb-21 To: 30-Jun-22	Seals not replaced and MEP not notified when control devices are bridged. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. 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
1) Getting our contractor Connetics to reseal the meter after bridging with an Orion seal. 2) Include the MEP when notifying the trader that bridging has occurred for them to inspect the meter and reinstate their seals. Orion jobs will record the person who undertook the bridging.		31/12/22	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Update process to include the above actions		31/12/22	

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 process to ensure that information on Utilities Disputes is provided to customers was discussed. Orion's website, email footers, and Utilities Disputes Messaging process were reviewed.

Audit commentary

Information about Utilities Disputes is prominently and cleared displayed on the Orion website and is included in external email footers and customer bills. A stand-up poster is on display at the Orion reception.

Advice about Utilities Disputes is provided in the phone greeting to all callers to the customer support team.

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 12,800 created were checked from the point of application through to when the ICP was created. This included unmetered load ICPs and some with distributed generation associated.

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. 20 new connection applications of the 12,800 created during the audit period were checked from the point of application through to when the ICP was created. These were selected using the typical characteristic methodology to confirm the process and controls worked in practice.

Audit commentary

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

1. An application for a connection is made in Orion's portal by the customer or the customer's agent. The application process requires a retailer to be nominated.
2. Orion has an engineering approval process at this point, Orion aims to process applications and provide approval within 20 business days.

3. An application for an ICP is made closer to the time of livening. This application includes a proposed livening date and nomination of a livening agent.
4. The ICP is created and sent to the nominated retailer with a list of questions, including that they agree to be responsible for the ICP and that they agree to the electrical connection of the ICP.
5. The ICP must be accepted by the nominated trader before the ICP is made “ready”.

The process above achieves compliance with the Code. As the customer applies to Orion in the first instance the 3-day rule does not apply, however Orion’s process works to supply an ICP number within three days of an application or advise the applicant why this has not been done. I reviewed a typical sample of 20 ICPs including some new unmetered load supplies and found all were created within three days.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

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

Audit commentary

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. 12,800 ICPs were created during the audit period. All ICPs had the required information populated as required by this clause. The accuracy of this information is detailed in **section 4.6**. Compliance is confirmed for clause 11.7 because all required information is populated in the registry.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process was examined. The registry list as of 30 April 2022 and the combined registry compliance audit reports covering the period from 1 June 2020 to 30 April 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 11,107 new ICPs created and electrically connected.

The audit compliance report identified 59 of the 11,107 ICPs (99.5% compliance) were made “ready” after electrical connection had occurred. A sample of 20 of these were selected using the typical case methodology and found:

- 15 were due to the daily registry update not being processed until after midnight causing a difference of one day,
- three were due to human error by liveness agents when closing jobs, and
- DUML ICP 0007203853RN720 was late due to a delay with the retailer accepting the ICP.

Overall, there is a very high accuracy rate and Orion’s processes are robust.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 01-Jun-20 To: 30-Apr-22	59 ICPs changed to “ready” after electrical connection. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because they mitigate risk to an acceptable level. 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
Orion has a strong process in place with minor errors, mainly due to human error which are corrected where these have been identified		29/7/2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
No further preventative actions		29/7/2022	

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process for populating all required registry fields was examined. The registry list as of 30 April 2022 and the combined registry compliance audit reports covering the period from 1 June 2020 to 30 April 2022 were examined to determine the timeliness of the provision of the initial electrical connection date. A diverse characteristics sample of 20 late updates were examined.

Audit commentary

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis.

98.1% of all initial electrical connection dates were populated within ten business days. Orion has introduced reporting that identifies initial electrical connection date discrepancies.

There were 11,107 new ICPs created and electrically connected. The audit compliance report identified 210 (1.9%) late updates. The sample checked found:

- one was due to late notification regarding an HV installation ICP,
- one was decommissioned in error and then later corrected,
- two were embedded network ICPs which were updated manually,
- one was identified in the discrepancy reporting and followed up to identify the correct date,
- one was due to operator error when events were deleted and not replaced in the registry,
- one where the reason was not able to be determined but it may have been due to delays over the summer holiday break,
- 12 were late due to late notification from the field, and
- one where the initial electrical connection date was corrected after consultation with the trader.

The audit compliance report highlighted that the correct the initial electrical connection date is being populated but all had the incorrect event date recorded in the registry. The data dictionary in the registry defines the event date as follows:

The Event Date defines the date from which the attribute values of the event should apply.

Therefore, the event date or effective date should be the same date as the initial electrical connection date. This is recorded as non-compliance in **section 2.1**.

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

Audit outcome

Non-compliant

Non-compliance	Description
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Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 01-Jun-20 To: 30-Apr-22	210 late updates of the initial electrical connection date. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because they mitigate risk to an acceptable level. The audit risk rating is assessed to be low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue	Completion date	Remedial action status	
Adjust the automated registry update process so that the IECD and the event date is the same	30/09/2022	Identified	
Preventative actions taken to ensure no further issues will occur	Completion date		
As above	30/09/2022		

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, and all traders that are responsible for an ICP on the shared unmetered load have been advised.

Audit observation

The new connection process was examined. The registry list as of 30 April 2022 and the combined registry compliance audit reports covering the period from 1 June 2020 to 30 April 2022 were examined.

Audit commentary

As discussed in **section 3.2**, Orion has a step in the new connections process to ensure a trader accepts responsibility and is recorded in the registry. There are no ICPs without a proposed trader recorded in the registry.

The audit compliance report identified 59 ICPs that were electrically connected prior to being made “ready” on the registry and therefore a trader was not recorded in the registry as accepting responsibility for the ICP. A sample of these are discussed in **section 3.4**. These are recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: Clause 11.17 From: 01-Jun-20 To: 30-Apr-22	59 ICPs electrically connected prior to a trader being recorded as having accepted responsibility. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because they mitigate risk to an acceptable level. The audit risk rating is assessed to be low as this affected only 59 ICPs.		
Actions taken to resolve the issue		Completion date	Remedial action status
Orion has a strong process in place with minor errors from human error. These are quickly corrected when identified,		29/7/2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
No further preventative action required.		29/7/2022	

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, or if there is only shared unmetered load at the ICP and each trader has been advised.

Audit observation

The new connection process was examined. The registry list as of 30 April 2022 and the combined registry compliance audit reports covering the period from 1 June 2020 to 30 April 2022 were examined.

Audit commentary

As discussed in **section 3.2**, Orion has a step in the new connections process to ensure a trader accepts responsibility and is recorded in the registry. There are no ICPs without a proposed trader recorded in the registry. Permission had been received prior to electrical connection occurring for the 59 late new connections, therefore compliance was confirmed.

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.*

If the ICP is only shared un-metered load, the distributor must advise the traders of the intention to temporarily connect the ICP unless:

- *advising all traders would impose a material cost on the distributor, and*
- *in the distributor's reasonable opinion, the advice would not result in any material benefit to any of the traders.*

Audit observation

The new connection process was examined in **section 3.2**. The registry compliance audit report for 1 June 2020 to 30 April 2022 was examined.

Audit commentary

Orion's processes are robust in relation to this clause as an ICP will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP.

No temporarily connected ICPs were identified.

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

Orion has not created any new NSPs during the audit period.

Audit outcome

Compliant

3.10. 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

No new NSPs were created by Orion 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:

xxxxxxxxxxxx where:

- *yyyyyyyyyy 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 new connection process was examined, and a sample checked. This is detailed in **section 3.2** above.

Audit commentary

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

Orion has four loss category codes assigned to ICPs. Each active ICP only has one loss category, which clearly identifies the relevant loss factor.

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 management of ICPs in relation to the use of the “new” status was examined. The combined registry compliance audit reports covering the period from 1 June 2020 to 30 April 2022 were examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

Audit commentary

All ICPs are created at the “new” status and they are changed to “ready” once they are ready for activation. Checks of the sample of 20 ICPs recorded in **section 3.2** confirmed compliance. There are no ICPs at the “new” status with an initial electrical connection date.

There were no ICPs at the “new” or “ready” for greater than 24 months.

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 calendar months or more:

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

Audit observation

The combined registry compliance audit reports covering the period from 1 June 2020 to 30 April 2022 were examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

Audit commentary

The process for notifying traders is automated and commences at 30 days. There are no “new” or “ready” ICPs for a period greater than 24 months.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

This requirement was discussed, and the list file was examined.

Audit commentary

Orion Network has a good understanding of this requirement. Examination of the list file confirmed that they do not have any embedded generation stations with a capacity of 10MW or more that require an individual loss category code.

Audit outcome

Compliant

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

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

The electrical connection of streetlight circuits, which are a point of connection, was examined.

Audit commentary

Upon receipt, paperwork is checked for completeness and accuracy and any issues are followed up with the contractor. The information is sent to the asset data team so that the GIS can be updated, and then returned to the connections team to update the Streetlighting/DUML database from the date the change or new connection was effective. Once data entry is complete, the values loaded are checked against the paperwork provided, and some spot checks in the field are completed. Paperwork is normally promptly provided electronically and processed within two to three business days of receipt.

All jobs are tracked using job numbers by the connections team as part of the works management process. Late paperwork from contractors, and late updates by the GIS team are followed up. A checklist is followed to ensure that all steps in the process are completed.

Orion's approved contractors have access to a web-based version of the Streetlighting/DUML database in the field and advise Orion's connections team if they notice any discrepancies in the data recorded. Orion's connections team acts on these notifications and checks and updates the data where necessary.

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

The disconnection process was examined.

Audit commentary

Orion will only undertake an electrical disconnection when a service request is received from a 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

Processes for meter bridging were reviewed.

Audit commentary

Orion does conduct bridging in accordance with clause 10.33C. Orion attempts to gain approval from traders prior to bridging but this is not always gained, particularly in after-hours situations. This is recorded as non-compliance below. Notification is provided to the trader as required as required by this clause.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.18 With: Clause 10.33C From: 01-Feb-21 To: 30-Jun-22	Approval from trader not always gained when meters are bridged. 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 recorded as strong as traders are always notified of bridging. The audit risk rating is assessed to be low as the volume of bridged meters is small and therefore the potential impact of reconciliation is low.

Actions taken to resolve the issue	Completion date	Remedial action status
In all cases the retailer is notified that bridging has occurred to reconnect the customer as soon as practically possible. Staff undertake bridging in this manner to ensure customers are connected as soon as possible and while they are onsite. Otherwise, it may take a long time to gain approval waiting for a response if we sought approval in all bridging situations.	29/7/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
No further preventative action required	29/7/2022	

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

If the change to the NSP identifier is for more than 10 business days, the notification must be provided no later than the 13th 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 three business days after the registry manager has advised the distributor that the ICP is ready to be decommissioned, or three business days after the distributor has decommissioned the ICP.

Audit observation

The management of registry updates was reviewed.

The registry list as of 30 April 2022 and the audit compliance reports covering the period from 1 June 2020 to 30 April 2022 were examined. A diverse sample of a minimum of ten backdated events by event type were reviewed to determine the reasons for the late updates.

Audit commentary

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis.

The audit compliance report highlighted that the correct initial electrical connection date is being populated but all had the incorrect event date recorded in the registry. The data dictionary in the registry defines the event date as follows:

The Event Date defines the date from which the attribute values of the event should apply.

Therefore, the event date or effective date should be the same date as the initial electrical connection date. This is recorded as non-compliance in **section 2.1**.

The table below details the quantity and compliance of registry updates.

Update	Date	Late	% Compliant	Average days
Address	2017	388	95%	2.7
	2019	429	97%	2.4
	2020	616	94.89%	1.46
	2022	1,347	89.38%	6.97
Price codes	2017	37	97%	4.3
	2019	155	98%	2.4
	2020	122	97%	1.33
	2022	350	98.40%	N/A
Status	2017	1,044	41%	14.8
	2019	1,048	53%	11
	2020	42	98.09%	1.68
	2022	77	97.80%	3.21
Network (excl. new connection & Distributed Generation)	2019	104	99.95	5
	2020	23	N/A	N/A
	2022	525	N/A	N/A
Distributed Generation	2020	2,028	36.76%	70.86
	2022	1,297	19.79%	48.25
NSP changes	2020	995	N/A	N/A
	2022	266	N/A	N/A

Address events

The sample of late address updates checked found that these all related to ICPs that were decommissioned. Orion updates the registry property name field to include the word “decommissioned” in order to identify ICPs which have been decommissioned but not moved to “ready for decommissioning” by the trader.

Pricing events

Orion will backdate incorrect price category codes to ensure that complete and accurate information is provided. The sample of late pricing updates found:

- three were backdated events as part of the ICP being “decommissioned - set up in error” and the status being changed back to “new” prior to decommissioning, and
- seven were corrections of price codes which provided a benefit to the customer.

Status events

The sample of late decommissioning updates checked found:

- five were due to late notification from the field due to the livening agent not closing the job in the portal at the time of completion,
- one was due to late processing by Orion,
- two were late due to metering events in relation to changes to the AMI flag being entered after the decommissioning date, and
- two cases were identified with the update recorded as a different date to the date processed by Orion, the reasons for this were unable to be determined.

Network events (other than NSP changes and Distributed Generation events)

The audit compliance report included a great many distributed generation updates which are measured separately below. With these excluded, there were 525 “other” late network events recorded which all related to changes to unmetered load fields for BTS supplies. Examination of a sample of 10 found:

- two were the result of subsequent distributed updates which replaced the previous updates to remove unmetered load details,
- seven were backdated changes to improve clarity to the terminology used for unmetered temporary supplies from “Builders temporary supply” to “Unmetered Temporary Supply”, and
- one related to a change of unmetered load fields and the addition of a proposed trader; the update occurred prior to electricity being traded therefore it is compliant.

As the report included a large number of incorrect events in it, I am unable to determine the compliance percentage but given the small volume of genuine late network events, compliance is expected to be high.

Distributed Generation events

The sample of late distributed generation updates checked found that all were late due to late notification from the contractor. Orion make every effort to ensure that distributed generation is confirmed and recorded where possible, including:

- monitoring and checking with traders where profiles indicate distributed generation is present, but Orion has none,
- monitoring the EIEP1 file to identify generation where none is expected, and

- contacting applicants to request paperwork for any installations that have been pending for some time.

NSP changes

Orion makes frequent NSP changes on their network. All changes are held and only if the change is in place for more than five days is the file released to the registry to record the NSP changes. Any changes for less than this period are not notified to the registry.

The audit compliance reporting reported 266 late NSP notifications. A sample of ten ICPs were reviewed. These all related to backdated distributed generation or unmetered load updates which resulted in multiple network notifications to maintain the change of NSPs that have occurred in the intervening period. This process is a manual and detailed process. As these were not late NSP changes I have recorded compliance for NSP changes.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Jun-20 To: 30-Apr-22	Updates to registry backdated greater than three business days of the event. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong. Orion has robust checks and processes in place to ensure wherever possible events are updated to the registry as soon as possible. The audit risk rating is low as the volume of backdated events is small and those backdated have little to no impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Orion has strong controls in place. Some notification activities rely on the timeliness of third parties which can impact our level of compliance. Orion's NSP update process is automated. Manual intervention is required where backdating needs to be done to address NSP changes in the timeline		29/7/2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We do not intend taking further preventative action		29/7/2022	

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

Code reference

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

Code related audit information

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

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

Audit observation

The process to determine the correct NSP was examined. The audit compliance reporting identified 100 active ICPs where 10% or fewer ICPs on a street have a different NSP and there are fewer than three ICPs with a different NSP. A sample of ICPs with typical characteristics were examined to determine if the correct NSP has been assigned.

Audit commentary

The controls in place to ensure new ICPs have the correct NSP are robust, with the NSP being assigned at the time the ICP is plotted in the GIS. Orion has robust controls in place to identify discrepancies on an ongoing basis.

The audit compliance reporting identified 100 ICPs with less than five ICPs and 5% associated with an NSP. A sample of 25 ICPs were checked and found to be correct, and a further 18 had been confirmed as correct in the last audit.

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

The management of customer queries was discussed to confirm policy.

Audit commentary

Requests for ICP identifiers are not a common occurrence, however Orion provides this information if the requesting party has authorisation. Customers can also search ICP details using the "Find a connection" function on the Orion website.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to manage address accuracy was examined. The list file and the audit compliance report covering the audit period were examined.

Audit commentary

All of Orion's address records on the registry are readily locatable. There is a rigorous process in place that ensures only meaningful information is populated into the "property name" field when addresses are similar. Lot numbers are replaced with street numbers and new street names are verified with council before they are accepted.

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

I checked the "Network Code" published on Orion's website to confirm the policy in relation to this clause.

Audit commentary

The Network Code is clear that each ICP must have its own isolation point. Electrical connection is conducted by a small number of approved contractors which assist with the application of this and other policies. No examples were identified where this policy had not been complied with.

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 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 for a billing period from metering information collected for that billing period*
 - c) *if there is more than one capacity value at the ICP, and at least one, but not all, of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
 - (i) *no capacity value recorded in the registry field for the chargeable capacity; and*
 - (ii) *either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
 - d) *if there is more than one capacity value at the ICP, and none of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
 - (i) *the annual capacity value recorded in the registry field for the chargeable capacity; and*
 - (ii) *either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
 - e) *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. Orion has a fully automated registry update process, which ensures all information listed in this clause is provided to the registry.

The registry list as of 30 April 2022 and the audit compliance reports covering the period from 1 June 2020 to 30 April 2022 were reviewed to determine compliance. A sample using typical characteristics of data discrepancies 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.

Initial electrical connection date

The initial electrical connection date is populated based on information returned from the field. Orion have regular reporting in place to identify missing or initial electrical connection date discrepancies.

11,107 new ICPs were created and electrically connected. The audit compliance reporting identified 179 ICPs with date inconsistencies between the initial electrical connection date, the active date and the meter certification date. The sample of 20 ICPs checked found:

- one ICP was one of 41 units on a central supply connection; Orion does not have visibility of the connection date of individual ICPs, so the date of connection of the central supply to the Orion network is recorded, and
- the remaining 19 were confirmed as having the connection date correctly recorded by Orion.

The audit compliance report identified 104 active ICPs with no initial electrical connection date recorded. The sample of 10 ICPs checked found:

- seven were made prior to the registry being available and have been made “active” during the audit period making it appear that they are newly connected,
- one had no connection date recorded as it been set up in error and has subsequently been decommissioned,
- two have had the connection date recorded after the date the report was run.

Compliance is confirmed.

The audit compliance reporting found 103 ICP at the “ready” or “inactive - new connection in progress” status with an initial electrical connection date recorded. 93 were due to timing and the sample across the days affected confirmed that the ICPs had since been made active for the same date as Orion’s electrical connection date. The 10 ICPs that were indicated as being electrically connected prior to April 2022 were checked and found:

- eight have since been updated to “active” by the trader with the same date as the IECD,

- ICP 0007204256RN405 Orion confirmed that it had received notification of connection on 16 November 2021, but the trader has yet to make it active, and
- ICP 0007203154RN3E3 the IECD of 21 July 2021 was incorrectly recorded against this ICP by the living agent.

Distributed Generation

Applications for distributed generation are entered via the Orion website. The application form requires the details of the inverter and any batteries if being installed. All applications are reviewed to ensure that the proposed inverter complies with the list of approved inverters. Orion aim to approve all applications within in two business days of receipt. Orion advises the applicant to provide copies of the Certificate of Compliance and Record of Inspection once the installation is complete. The details are then loaded to the registry once these have been received.

Analysis of the registry list confirmed there are 4,899 ICPs with generation capacity recorded. All ICPs with generation capacity have a fuel type and installation type of “B” or “G” recorded on the registry.

The audit compliance report identified 117 active ICPs where the trader’s profile indicates distributed generation. The sample of ten ICPs checked found:

- completion documentation has been provided for eight ICPs since receiving the audit compliance reports and the registry has been updated,
- an application has been received for ICP 0007205262RN357, but completion documents have not been received; Orion have requested these from the applicant, and
- Orion confirmed that no application had been made for ICP 0005490294RNE3E and there is no generation installed, the trader has since corrected the profile to RPS.

Unmetered Load

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

Orion requires that the unmetered load is detailed as part of the online application form detailing the wattage, hours of usage per day and the type of unmetered load.

There have been 611 new unmetered load connections during the audit period. Orion had no unmetered load recorded for 26 ICPs where the trader had unmetered load recorded. I checked all of these and found:

- 23 were previously unmetered builder’s temporary supplies where Orion had removed the unmetered details as these are now being metered, 22 of these have had metering details added to the registry and one has yet to be updated,
- Orion had added the unmetered load details to the registry for two, and
- Orion confirmed that ICP 0007198057RN2B7 is a landlord supply that has never been an unmetered temporary supply.

For the remaining 585 ICPs, Orion’s load matched that of the traders in all but four ICPs. These were checked and found:

- three were due to timing where the unmetered BTS has been replaced with a permanent metered supply and Orion has since removed the unmetered details, and
- for ICP 0007202625RN459 the unmetered BTS was replaced with a permanent metered supply on 30 March 2022, but Orion has not updated the registry to reflect this.

Audit outcome

Non-compliant

Non-compliance	Description
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Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1 From: 21-Jul-21 To: 30-Jun-22	One initial electrical connection date recorded in error. One ICP with incorrect distributor unmetered load recorded. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are rated as strong as Orion have robust reporting and processes in place to identify potential discrepancies and any found are corrected. There is no impact on settlement in relation to the incorrect registry information therefore I have recorded the audit risk rating as low.	
Actions taken to resolve the issue	Completion date	Remedial action status
Information will be corrected in the registry as it becomes available.	29/7/2022	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Orion contacts and discusses this with third parties to align the registry data as an ongoing activity.	29/7/2022	

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 audit compliance reporting and the registry list were reviewed to determine compliance.

Audit commentary

Orion do not use placeholder values; the price category is applied based on the application details.

There were no backdated pricing changes found that related to new connections.

Audit outcome

Compliant

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

I checked the list file for ICPs with GPS coordinates and entered them into the “Mobile Roads” application to confirm they were in NZTM format.

Audit commentary

There are 229 ICPs with GPS coordinates and they are in NZTM format.

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

Processes to manage the “ready” status were reviewed.

The registry list as of 30 April 2022 and the audit compliance reports covering the period from 1 June 2020 to 30 April 2022 were examined.

All ICPs at “ready” status had a single price category assigned and proposed trader identified.

Audit commentary

The status of “ready” is used once the ICP is ready for connection. The new connection process has a step to confirm the trader has taken responsibility. All ICPs only have one price category code.

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

I checked the list file to confirm compliance.

Audit commentary

The list file contained 45 embedded network (LE) ICPs and 154 shared unmetered load (SI) ICPs. The details are recorded correctly on the registry.

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

I examined the process for decommissioning ICPs along with the timeliness and accuracy of registry updates.

Audit commentary

The decommissioning process starts with a service request from a retailer. Any calls received from customers are directed to their retailer. The retailer is expected to have made arrangements for meter removal. Once the service request has been received, a job is booked with a contractor to physically remove the connection to the network. On completion of this work, the status is changed within the connection management system, which then updates the registry overnight. The decommissioned status is only used once there is confirmation from a field visit that the ICP is definitely physically removed. In

situations where the ICP is not physically connected to the network, Orion may be notified through various methods that the ICP is gone. They will then conduct an inspection before decommissioning the ICP.

There are 50 ICPs with a status of “ready for decommissioning”, a sample of 20 were examined (including all six ICPs with the meters removed) and found:

- there were 11 ICPs where a service request has not been received from the trader, Orion has followed up the trader in these cases,
- for ICP 0006097006RND4F a decommission request was received in 2013 which was subsequently cancelled,
- for ICP 0007183615RN190 a decommission request was received in 2019 which was subsequently cancelled,
- ICP 0007106734RN181 has not been able to be completed due to site access issues, and
- six have since been decommissioned and the registry updated.

The timeliness of status updates is discussed in **section 4.1**.

Audit outcome

Compliant

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

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 or changed codes during the audit period.

Audit commentary

There were no changes 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 on the registry, the distributor must enter the replaced loss factor on the table in the registry.

Audit observation

I checked the loss category code table for any new or changed factors during the audit period.

Audit commentary

There were no changes during the audit period.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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 2 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 NSPs were created or decommissioned 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 1 month before the creation or transfer of:

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

Audit observation

The NSP table was reviewed.

Audit commentary

Orion has not created any embedded networks.

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 3 business days after the change takes effect.

Audit observation

The NSP table on the registry was examined.

Audit commentary

No balancing areas were changed 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 3 business days before the transfer takes effect.

Audit observation

The NSP table was reviewed.

Audit commentary

Orion 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))

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 supply point table was examined.

Audit commentary

There is one interconnection point relevant to this clause and an exemption has been granted to allow for this to be unmetered.

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

Orion have not connected 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 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

Orion 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 notify the reconciliation manager and the gaining MEP.

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Orion is not an embedded network owner and has not requested the connection of any NSPs.

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

Orion 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

Orion 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

I checked the list file and the event detail report to confirm the accuracy and compliance of shared unmetered load information.

Audit commentary

The registry population and the relationship between parent and child ICPs is correct.

There are 634 ICPs with shared unmetered load, related to 154 parent ICPs.

Four SI ICPs had only one ICP listed as the child ICP, an increase of two since the last audit, details of the ICPs are as follows:

Parent SI ICP	Remaining child ICP	Comment
0007184060RNBE4	0005313236RNE6A	Identified in last audit.
0007162429RN3AC	0005961211RN4A5	Identified in last audit.
0007131003RN1FD	0006785808RN073	Second child ICP, 0006785816RN945 was decommissioned on 27/2/22.
0007207464RN79E	0005808588RN085	Was created on 14/3/22 with two child ICPs, 0005808600RN4D8 was removed on 29/3/22.

Non-compliance is recorded for these four ICPs as the load should be assigned as standard unmetered load for the child ICPs and the SI ICPs decommissioned.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 7.1 With: Clause 11.14(2) and (4) From: 14-Oct-14 To: 30-Jun-22	Unmetered load recorded as shared unmetered load when it should be recorded as standard unmetered load and the SI ICPs be decommissioned. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong as Orion has robust checks in place. All four instances are exceptions. 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
Orion will update and make the necessary corrections after discussion with the customer or trader		29/7/2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
No additional preventative action is planned as new shared unmetered load has been discontinued.		29/2/2022	

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

I checked the list file for decommissioned shared unmetered load ICPs, and I checked Orion's notification processes.

Audit commentary

There were six SI ICPs decommissioned during the audit period. Orion has a separate communication format for shared unmetered load, which was used for all six cases and which achieves compliance with this clause.

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

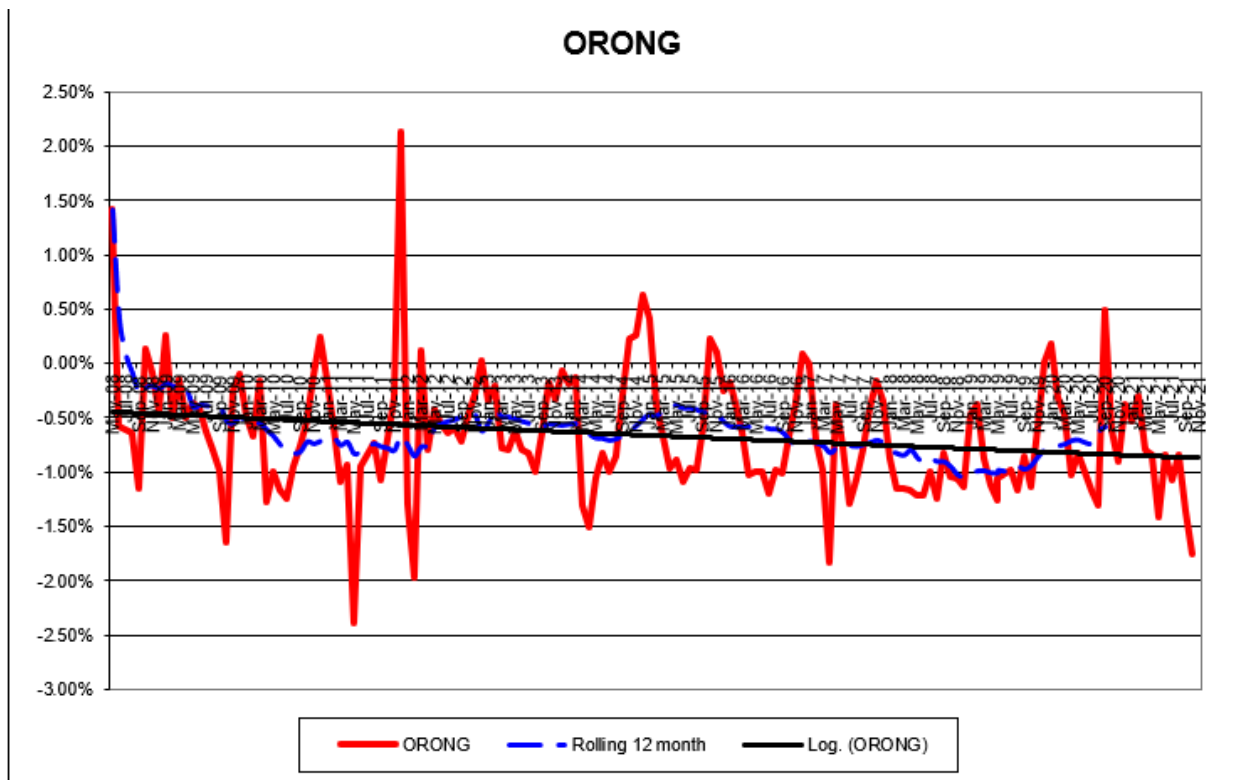
The “Guidelines on the calculation and the use of loss factors for reconciliation purposes” was published on 26 June 2018. I have assessed Orion’s process and compliance against the guideline’s recommended thresholds.

Audit commentary

At the time of the audit Orion was in the process of undertaking a review of its technical losses. The review is expected to be completed in 2022.

Orion has a low voltage and a high voltage loss factor, plus two specific factors. The factors are reviewed each year and have not changed for some time. Orion publishes a “Distribution loss factors” document on their website after each review.

As shown below the UFE is tracking within the accepted +/-1% threshold.



Audit outcome

Compliant

CONCLUSION

Orion have continued their strong focus on compliance which is reflected in the result of this audit.

There were two new areas of non-compliance identified in relation to changes to the Code introduced in February 2021. A distributor is required to re-seal control devices if seals are removed in order to bridge a control device and notify the trader and MEP of the removed seals. Distributors are permitted to bridge meters in order to restore supply to a consumer provided authorisation is first gained from the trader. Orion does seek authorisation, but this is not always gained, particularly in after-hours situations.

The audit found nine non-compliances. Orion has robust well documented processes in place and a high level of compliance was found in this audit. The indicative audit frequency table indicates that the next audit be in 12 months. I have considered this in conjunction with the fact that controls were rated as strong for eight of the nine non-compliances and the audit risk rating is low for all non-compliances found and recommend that the next audit be in 18 months.

PARTICIPANT RESPONSE

Orion takes its compliance obligations under the Electricity Industry Participation Code 2010 seriously. This is supported by a team of experienced staff who have been with Orion for many years and understand the level of compliance that the Electricity Authority requires.

Our systems are highly automated and robust to ensure quality control through exception reporting. We have a culture of continuous improvement and monitor and seek ways to resolve and improve our processes.

We would like to also take the opportunity to thank Veritek who have run a smooth and well-structured audit.