

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

SCANPOWER LTD

Prepared by: Ewa Glowacka of TEG & Associates

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EXECUTIVE SUMMARY

This participant audit was performed at the request of Scanpower to encompass the Authority's request for annual audits, as required in clause 11.10 of Schedule 11 of the Electricity Industry Participation Code 2010, to assure compliance with the Code. The relevant rules audited are as required by the Guidelines for Distributor Audits V7.2, issued by the Electricity Authority.

There are 7,173 ICPs on the Scanpower network. 64 ICPs have been created since the last audit.

The audit period is 16/11/2020 to 30/11/2021

During the audit we found the management of Scanpower's compliance with the Code to be well organised and thorough. We identified a low number of discrepancies. The systems and processes in place are appropriate for the number of ICPs on the Scanpower network. Most of the updates of the registry are done manually and the nature of the discrepancies is consistent with high levels of manual data entry.

We recorded 7 non-compliances with the impact on settlement outcomes being minor. The area which needs to be addressed is a population of the date of installation of embedded generation. Our suggestion is to use the CoC date as other networks preference, not the date when a confirmation is received.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. Table 1 of the Guidelines for Distributor audit provides some guidance on this matter. The Future Risk Rating score is 10 which results in an indicative audit frequency of 12 months. We recommend 18 months. Scanpower significantly improved their processes and the identified non-compliances have no impact on settlement outcomes. 2 requests from traders asking to backdate the "Ready" status date resulted in two non-compliances in this report.

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

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1)	A small quantity of information in the registry was inaccurate	Moderate	Low	2	Identified
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	3 ICPs did not have the status "Ready" prior to electricity being traded at the ICP	Strong	Low	1	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Initial Electrical Connection Date (IECD) was recorded for 6 new ICPs more than 10 days after the event	Moderate	Low	2	Identified
Changes to registry information	4.1	8 Schedule 11.1)	A small number of registry information updates were later than 3 business days from the event date	Strong	Low	1	Identified
Distributors to Provide ICP Information to the Registry manager	4.6	7(1) Schedule 11.1)	One UML ICP did not have details populated, incorrect information for 6 ICPs with embedded generation, and incorrect IECD for one ICP	Moderate	Low	2	Identified
Management of "ready" status	4.9	14 of Schedule 11.1	3 ICPs had the status "Ready" backdated	Strong	Low	1	Identified

Management of "decommissioned" status	4.11	20 of Schedule 11.1	Decommissioning date for one ICP was recorded incorrectly	Strong	Low	1	Identified
Future Risk Rating						10	
Next audit						12 months	

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

RECOMMENDATIONS

Subject	Section	Recommendation	Description
		Nil	

ISSUES

Subject	Section	Issue	Description
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

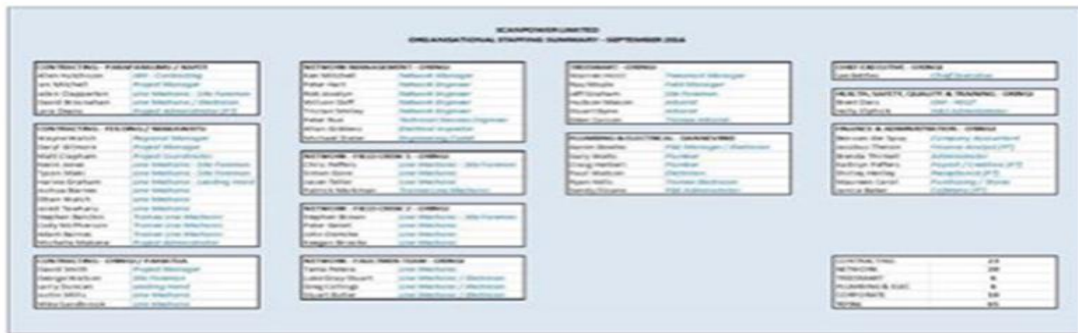
Audit observation

Scanpower confirms that there are no exemptions in place which are relevant to the scope of this audit.

Audit commentary

We checked the Electricity Authority website and confirm that there are no exemptions in place.

1.2. Structure of Organisation



1.3. Persons involved in this audit

Name	Title	Company
Tristan Smiley	Network Engineer	Scanpower Ltd
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates Ltd

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

- remains responsible for the contractors 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

There are no contractors who assist with the Scanpower operations that were audited.

Audit commentary

During the audit, we did not identify any contractors which assist Scanpower to meet their obligation.

1.5. Supplier list

There are no suppliers who assist with the Scanpower operations that were audited.

1.6. Hardware and Software

A MS Access Database called “The ICP Database” is used to store information about ICPs and provide exception reporting.

1.7. Breaches or Breach Allegations

Scanpower has stated it has no breaches or alleged breaches of Electricity Industry Participation Code related to this audit.

1.8. ICP and NSP Data

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
SCAN	DVK0111	DANNEVIRKE			DANNEVKSCANG	G	01/05/08	5,649
SCAN	WVD0111	WOODVILLE			WOODVLLSCANG	G	01/05/08	1,510

Status	Number of ICPs (7/12/2021)	Number of ICPs (2020)	Number of ICPs (2019)	Number of ICPs (08/08/18)
New (999,0)	9	10	7	5
Ready (0,0)	5	5	0	3
Active (2,0)	6,741	6,707	6,909	6,679
Distributor (888,0)	0	0	0	0
Inactive – new connection in progress (1,12)	5	5	1	0
Inactive – electrically disconnected vacant property (1,4)	384	369	377	377

Inactive – electrically disconnected remotely by AMI meter (1,7)	17	16	6	10
Inactive – electrically disconnected at pole fuse (1,8)	3	3	5	0
Inactive – electrically disconnected due to meter disconnected (1,9)	1	2	1	1
Inactive – electrically disconnected at meter box fuse (1,10)	0	0	0	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	8	5	5	0
Inactive – reconciled elsewhere (1,5)	0	0	0	0
Decommissioned (3)	1,006	990	969	939

1.9. Authorisation Received

An authorisation letter was not required. All information was provided by Scanpower.

1.10. Scope of Audit

The audit covers the following processes under clause 16A.23 of Part 16A, performed by Scanpower, as listed below:

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

The audit was carried out on line on the 17 December 2021 over MS Meet.

1.11. Summary of previous audit

The previous audit was conducted in 2020 by Ewa Glowacka of TEG of Associates. The following non-compliances were identified.

Subject	Section	Clause	Non Compliance	Comments
Requirement to provide complete and accurate information	2.1	11.2(1)	A small quantity of information in the registry was inaccurate	Still exists
Timeliness of provision of Initial Electrical Connection Date (IECD)	3.5	7(2A) of Schedule 11.1	Initial Electrical Connection Date (IECD) was recorded for 6 new ICPs more than 10 days after the event	Still exists
Monitoring of “new” & “ready” statuses	3.14	15 Schedule 11.1	1 ICP has remained in the ready status in the registry	Cleared

			for more than 24 months. 2 ICPs have remained in the new status in the registry for more than 24 months	
Changes to registry information	4.1	8 of Schedule 11.1	A small number of registry updates were greater than 3 business days from the event date	Still exits
ICP location address	4.4	2 of Schedule 11.1	27 ICPs have duplicate addresses, which makes them difficult to locate	Cleared
Distributor to provide ICP information to the registry manager	4.6	7(1)(m)(o)(p) of Schedule 11.1	Incorrect or missing information in the registry for ICP addresses, UML, Initial Electrical Connection Date, and connection of embedded generation (solar)to the network	Still exits
Management of “decommissioned” status	4.11	20 of Schedule 11.1	Incorrect decommissioning date in the registry for 5 ICPs	Still exits

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

We checked the Audit Compliance Summary Report for the audit period, and the LIS file dated 07/12/2021. We discussed with Scanpower what processes were in place to ensure accurate information was provided to the registry.

There were a relatively small number of registry information discrepancies identified by Scanpower during the audit period.

Audit commentary

Scanpower can trace easily flow of information from customers, other participants, field staff, and contractors through its service email inboxes. An ICP file record is created and all ICP information is stored in the ICP database. (MS Access).

New ICPs are entered manually using the registry web interface. Registry information updates are made using SFTP for bulk updates, e.g. addresses, and manual entry through the registry web browser for single updates such as IECD, embedded generation.

The information system allows discrepancies to be corrected quickly by enabling access to information for analysis. Scanpower regularly checks the correctness of data.

The table below shows the summary of registry discrepancies.

Section	Registry Discrepancy
3.4	<ul style="list-style-type: none">3 x ICP where a retailer had not accepted responsibility for an ICP prior to it being connected to the network.
3.5	<ul style="list-style-type: none">Initial Electrical Connection Date (IECD) was recorded for 6 new ICPs more than 10 days after the event
4.1	<ul style="list-style-type: none">A small number of registry updates were greater than 3 business days from the event date
4.6	<ul style="list-style-type: none">1 ICP - no UML load details in the distributor field1 ICP - Initial Electrical Connection date incorrect6 ICPs - incorrect date of connection of solar to the network

4.11	<ul style="list-style-type: none"> Incorrect decommissioning date in the registry for 1 ICPs
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Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2(1) From: 11-Nov-20 To: 30-Nov-21	A small quantity of information in the registry was inaccurate. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are moderate because processes and exception reporting are in place. Impact on settlement outcomes is minor therefore audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Continue with exception reporting.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Run exception reporting on a regular basis to identify and remedy errors.		Ongoing	

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

We checked the Audit Compliance Summary Report for the audit period and the LIS file dated 07/12/2021. We discussed with Scanpower what processes were in place to identify information discrepancies in their systems and the registry, and the methods to correct that data as soon as practicable.

Audit commentary

Scanpower regularly validates information uploaded to the registry. If discrepancies are identified they are corrected immediately.

Exception reporting has been developed in the ICP database to identify discrepancies around ICP Status, ICP decommission status, IECD and address issues.

The Audit Compliance report is downloaded and reviewed every second month. The LIS file is downloaded with the same frequency from the registry and compared with the ICP database.

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

This was discussed during the audit.

Audit commentary

Scanpower owns load control devices installed on their network. Scanpower 's comment was that in rare situations when seals are broken they are replaced.

Audit outcome

Compliant

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

Code reference

Clause 11.30A

Code related audit information

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

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

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

Audit observation

This was discussed during the audit. We reviewed the Scanpower website.

Audit commentary

We confirm that information about Utilities Disputes is posted on the Scanpower website.

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 connections process was discussed with Scanpower staff and the EDA file was checked for the audit period. Scanpower provided the "ICP_database 06.12.2021" for review.

Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A network capacity check is completed using the GIS.

Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower enters the new ICP using the registry web interface. The file is created in the ICP database. The file contains address information, NSP, price category code, loss factor, connection type.

64 new ICPs were created during the audit period.

We verified that new ICP connection information is kept in the ICP Database and that data matched that in the registry.

20 new ICP connection records were checked.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

An ICP identifier is created only on a customer or electrician request not the participant.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The Audit Compliance Report, the LIS and the EDA files were checked for the audit period. The new connections process was discussed with Scanpower staff. Scanpower provided the “ICP_database 06.12.2021” for review.

Audit commentary

The new connection process is robust and followed by Scanpower. 64 new ICPs were created during the audit period.

Customers, or their agents, apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A network capacity check is completed using the GIS. Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower enters the new ICP using the registry web interface. Scanpower issues the ICP to the customer, or their agent, instructing them to engage with a trader. New ICPs and their attributes are recorded in the “ICP Database”, which we reviewed.

Once Scanpower receives an acceptance of an ICP from a trader, the proposed trader is loaded to the registry and the registry updates the ICP status to “Ready”.

20 new ICPs were randomly selected and data checked in both the ICP Database and the registry. No issues were found.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Report, the LIS and the EDA files were checked for the audit period. The new connections process was discussed with Scanpower staff. Scanpower provided the “ICP_database 06.12.2021” for review.

20 new ICP connection records were also checked.

Audit commentary

Customers, or their agents, apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. Once the application is approved and the customer has paid the fees, Scanpower will create the ICP in the registry with the status of “New”.

We checked 20 ICPs that were randomly selected from ICPs created during the audit period to confirm Scanpower populated the registry with ICPs prior to commencement of trading. There were no issues found and most ICPs were uploaded to the registry the day they were created.

We identified two ICPs, 0009109000CA17C (DUML) and 0003300260CA857, which were backdated by 42 and 8 BD. It was done at the request of GENE. Supporting emails were provided by Scanpower. The Both ICPs did not have the status “Ready” prior to electricity being traded at the ICP.

There was another ICP, 0004408620CA7D8, where the status of “Ready” was backdated by 5 BD. The delay was due to the person responsible for updates being on leave.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 16-Nov-20 To: 30-Nov-21	3 ICPs did not have the status “Ready” prior to electricity being traded at the ICP Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	We recorded controls as strong because SCAN backdated two ICPs at the request of GENE. We recommended to SCAN to not accept such requests from traders unless absolutely necessary. The company processes are strong and reliable.		
Actions taken to resolve the issue		Completion date	Remedial action status
Continue with current process		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Scan will no longer back date for Traders		Ongoing	

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 Audit Compliance Report, LIS and EDA files were checked for the audit period and discussed with Scanpower staff. In addition, 20 randomly selected new ICP connections were checked.

Audit commentary

Scanpower notifies the trader of the agreed network connection date. Scanpower’s staff carry out the connection to the network on the agreed date and notify the retailer of the completed ICP connection status.

Scanpower’s staff no longer install metering and this work is now completed by a MEP contractor. Scanpower tries to co-ordinate the physical network connection with the metering contractor to have a connection completed the same day. If co-ordination with the MEP contractor cannot be achieved, the ICP may be connected to the network to an agreed disconnect point (locked off and tagged) prior to the metering point. In these situations, the ICP active and metering commissioning dates in the registry will be the date of the IECD. Scanpower is notified by MEPs when metering is installed.

The IECD is entered into the ICP Database and the registry by SCAN staff.

We identified 6 ICPs for which the Initial Electrical Connection date was uploaded to the registry later than 10BD. One of these ICPs was DUMML ICP 0009109000CA17C. It is not a physical connection; SCAN used the “Ready” date as the IECD.

All new ICPs created during the audit period had the IECD populated.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 16-Nov-20 To: 30-Nov-21	Initial Electrical Connection Date (IECD) was recorded for 6 new ICPs more than 10 days after the event Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because processes and exception reporting are in place. Impact on settlement outcomes is minor therefore audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Ensure notification of IECD is provided by field staff.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Continue reporting to ensure population of IECD is completed in a timely manner.	Ongoing	
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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 LIS and the EDA files for the audit period were checked and the new connection process was reviewed and discussed with Scanpower staff.

20 randomly selected new ICP connections were checked.

Audit commentary

Customers, or their agents, apply directly to SCAN for a new connection to the network.

Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower enters the new ICP using the registry web interface. Scanpower issues the ICP to the customer or their agent instructing them to engage with a trader. The customer does not specify a proposed retailer on their application for new connection.

We walked through 20 new connections and confirm that for all ICPs acceptance was received before the name of a proposed retailer was recorded in the registry.

There was no new shared unmetered load connected on the Scanpower network.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

A distributor must not connect an ICP that is not an NSP unless requested to do so by the trader trading at the ICP, or if there is only shared unmetered load at the ICP and each trader has been advised.

Audit observation

The LIS and the EDA files for the audit period were checked and the new connection process was reviewed and discussed with Scanpower staff.

20 randomly selected new ICP connections were checked.

Audit commentary

Customers, or their agents, apply directly to SCAN for a new connection to the network.

Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower enters the new ICP using the registry web interface. Scanpower issues the ICP to the customer, or their agent, instructing them to engage with a trader. The customer does not specify a proposed retailer on their application for new connection.

According to the process SCAN waits for a traders' acceptance of an ICP (via email) before it is connected to its network. As soon as acceptance is received, Scanpower uploads the proposed retailer to the registry. The registry changes the ICP status to "Ready".

We walked through 20 new connections and confirm that for all ICPs acceptance was received before the name of the proposed retailer was recorded in the registry. Scanpower provided copies of traders confirmations.

There was no new shared unmetered load connected on the Scanpower network.

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 unmetered 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

This was discussed with Scanpower staff during the audit.

Audit commentary

Scanpower has not been asked to temporarily electrically connect any installation.

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

This was discussed with Scanpower staff during the audit. We checked the NSP table in the registry. Scanpower did not have any NSP on its network that was not a point of connection to the grid during the audit period.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

This was discussed with Scanpower staff during the audit. We checked the NSP table in the registry. Scanpower did not have any NSP on its network that was not a point of connection to the grid during the audit period.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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:

yyyyyyyyyyxxccc 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

We reviewed the LIS file and the Audit Compliance report. The new connection process was discussed with Scanpower staff.

Audit commentary

ICP identifiers are created and uploaded to the registry once the new connection application process is completed.

Scanpower uses a unique distributor code, “CA”, for all ICPs connected to its network. The ICP number is based on a sequential account number, historically based on meter walks. The ICP identifier always allows for the geographical location of a new connection. The operator adds “CA”, then a checksum using Checksum software provided by the Authority. Once it is finalized the ICP number is manually copied to the ICP Database and is then entered into the registry via web interface.

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 registry LIS file was examined. All ICPs with the status “new”, “ready”, “active”, “inactive” have a single loss category code.

Audit commentary

Compliance is confirmed based on a review of the LIS file and the process for ICP creation. The loss category code is assigned to an ICP when it is first uploaded to the registry. The registry design does not allow the assigning of more than a single loss category code to an ICP.

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

We reviewed the LIS and EDA files provided by Scanpower. The new connection process was reviewed.

Audit commentary

Scanpower enters all new ICPs into the registry without a proposed trader therefore the registry assigns the status of “New”. We walked through 20 newly created ICPs and confirm compliance.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

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

Audit observation

We examined the LIS file and the Audit Compliance report for the audit period.

Audit commentary

The Audit Compliance report showed 4 ICPs (0003404956CAEA5, 0003903490CAF0F, 0004907210CA3E3, and 0000603606CAED1) with the status “New”. There is no proposed retailer or no retailer has accepted responsibility for the ICPs in the registry. Scanpower regularly checks if the above ICPs have been connected.

There were no ICPs with the status “ready” for longer than 24 months.

Scanpower closely follows ICPs which have had the status of “new” and “ready” for longer 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

The LIS file was examined.

Audit commentary

Scanpower does not have any embedded generation with a capacity of 10 MW or greater connected to its network.

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 new connections process was reviewed and discussed with Scanpower.

Audit commentary

Traders accept an ICP by sending an email to the SCAN service email inbox. Once the trader acceptance has been received Scanpower will update the ICP database and upload a proposed retailer to the registry. The registry changes the ICP status to “Ready.”

The process for the initial electrical connection of a new ICP is as follows:

- Scanpower monitors the service inbox for the inspector and/or metering installer to request the ICP to be connected. A date will be agreed for electrical connection with the inspector and co-ordinated with the metering installer (MEP).
- Scanpower informs the trader of the agreed network connection date. Scanpower staff carry out the connection to the network on the agreed date and notify the trader of the completed ICP connection status.
- If co-ordination with the meter installer has not been achieved, the ICP may be connected to the network and livened to an agreed disconnect point (locked off and tagged) prior to metering point.

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

This is a new clause that came into force on 01/02/2021. It was discussed during the audit.

Audit commentary

This is dealt with by service delivery at the request of retailers. The actual disconnection request is between a retailer and an approved contractor.

Audit outcome

Compliant

3.18. Meter bridging (Clause 10.33C)

Code reference

Clause 10.33C

Code related audit information

An 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

This is a new clause that came into force on 01/02/2021. It was discussed during the audit.

Audit commentary

Meters are never bridged by Scanpower.

A customer is asked to contact their retailer if they do not have power. The retailer requests a MEP contractor to restore the power.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

If the change to the NSP identifier is for more than 10 business days, the notification must be provided no later than the 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 3 business days after the registry manager has advised the distributor that the ICP is ready to be decommissioned, or 3 business days after the distributor has decommissioned the ICP.

Audit observation

The Audit Compliance Summary Report and the EDA file for the audit period was reviewed and non-complaint ICPs were analysed.

Audit commentary

Any changes to ICP information are done using the registry web interface. The Audit Compliance report was analysed to identify backdated event updates. The summary of late updates is below:

Pricing events

0005606000CAA2A – backdated by 16BD - GENE requested price code change from C1 to D1 as at 01/10/2021 which was when the new customer moved into the address.

Decommissioning Status events

According to the Audit Compliance report the percentage of compliance was 16.67% and Average Business Days between the Status Inactive Event Date and the Status Event input date was 19 BD. The report noted late status updates for 10 ICPs. We sampled randomly chosen 8 ICPs. The results are below:

ICP	Scanpower Input Date in the registry	Retailer Input Date in the registry
0000900800CA5CF	14/01/21	21/12/20
0003208210CA466	10/12/21	24/05/21
0003703610CAA54	24/02/21	27/01/21
0003706500CA4DA	16/04/21	12/04/21
0003706640CA57C	16/04/21	12/04/21

0003807700CA107	10/12/21	30/06/21
0005701250CA829	24/02/21	21/01/21
0007702110CA61D	24/02/21	17/02/21

Scanpower commented that decommissions are always an issue. SCAN is reliant on the trader updating the registry to 'ready for decommissioning' and SCAN is regularly checking for status changes to enable the ICP to be decommissioned, but a quick look at the above table shows that SCAN does not check the registry frequently enough to notice a status change.

Distributed generation

According to the Audit Compliance report the percentage of compliance was 33.33 % and Average Business Days between Network Event Date and Network Event input date was 3.33 BD. The report lists two ICPs.

Network events

According to the Audit Compliance report the percentage of compliance was 95.38% and Average Business Days between Network Event Date and Network Event input date was 0.75 BD. The report lists ICPs where the network fields were changed in the registry later than 3 business days, a total of 6 entries. The average business days records the average business days across all updates.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 of Schedule 11.1 From: 16-Nov-20 To: 30-Nov-21	A small number of registry information updates were greater than 3 business days from the event date Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as strong. Exception reporting is in place and results are positive. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Increase frequency of exception reporting.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to use exception reporting to identify errors.		Ongoing	

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

Code reference

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

Code related audit information

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

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

Audit observation

The Audit Compliance Summary Report and the LIS file for the audit period were reviewed.

Audit commentary

Scanpower have only two NSPs on its network. The configuration of the network does not allow them to “shift” ICPs between NSPs.

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 new connections process was discussed with Scanpower.

Queries are received by phone or email service request. Emails are usually responded to on the same day. Phone queries about ICPs are usually dealt with immediately.

Audit commentary

Queries seeking ICP information or clarification are handled directly by the staff providing the connections process, so the responses are usually immediate.

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

We reviewed the Audit Compliance Summary Report for the audit period and the LIS file.

Audit commentary

The Audit Compliance Summary Report did not identify any active ICPs with duplicate addresses.

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

The new connections process was discussed with Scanpower.

Audit commentary

The network connection process requires every proposed connection to the network (ICP) to be verified against the GIS to ensure it has a discrete disconnect point and connection to the network, prior to an ICP being created. There are no known situations where this may occur.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

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

- a) *the unique loss category code assigned to the ICP*
- b) *the ICP identifier of the ICP*
- c) *the NSP identifier of the NSP to which the ICP is connected*
- d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*
- *if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):*
 - a) *a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity*
 - b) *a blank chargeable capacity if the capacity value can be determined 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

We reviewed the Audit Compliance Summary Report for the audit period and the LIS file. The new connection process documents were reviewed and discussed with SCAN staff. A random sample of 20 new ICP connection records were checked.

Audit commentary

Analysis of the Audit Compliance report identified the following non-compliances:

- No UML details in the distributor field for active ICP 0003605100CAE57. It was corrected during the audit
- 0002406300CA8D1 – SCAN entry is correct, solar was decommissioned and removed on 19/09/2020.
- We sampled 7 ICPs with distributed generation (solar). We asked Scanpower to provide COC and ROI for each installation. We compared the date in the registry and on CoC. We identified inconsistencies with which date was recorded. Sometimes it is the date that the information was entered on, or the date of inspection, or the date that the paperwork was received from a contractor.

ICP	CoC date	SCAN registry Event Date
0000505450CA425	22/09/2021	6/12/2021
0002907100CA5D4	Not provided	6/12/2021
0005700465CA538	2/12/2020	6/12/2021
0005900854CA89F	13/05/2021	31/05/2021
0000701700CA176	18/03/2021	18/03/2021
0005700450CAF8F	2/12/2020	8/12/2020
0000706310CA3BA	23/11/2020	25/11/2020

- We sampled 20 Initial Electrical Connection dates, all of them were accurate. The Audit Compliance report identified 2 ICPs where there were discrepancies between “Active” Date, IECD date, and Date of metering Installation

ICP	“Active” Date	IECD Date	Date of Installation certification
0005700465CA538	19/04/2021	15/04/2021	19/04/2021
0005705220CABF4	17/12/2020	17/12/2020	18/12/2020

The Scanpower’s comment was that, for both installations, Scanpower used the date as was agreed with a meter installer. There appears to be some miscommunication between parties. The fact that Scanpower does not install meters themselves does not help.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1) of Schedule 11.1 From: 16-Nov-20 To: 30-Nov-21	One UML ICP did not have details populated, incorrect information for 6 ICPs with embedded generation, and incorrect IECD for one ICP Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because processes and exception reporting are in place. Impact on settlement outcomes is minor therefore audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Update process to use CoC date for DG entries		Immediate	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Use updated process for DG entries		Ongoing	

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

The distributor must provide the following information to the registry 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 Audit Compliance report was checked and showed no discrepancies. The new connections process was reviewed and discussed with Scanpower.

Audit commentary

Scanpower assigns the actual price category code to the ICP at the time an ICP identifier is created and uploaded to the registry.

Audit outcome

Compliant

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

The LIS file was reviewed and it was discussed during the audit.

Audit commentary

The company has started uploading GPS coordinates for ICPs connected to their network. Out of 6,687 active ICPs, 54 have GPS coordinates loaded. The GPS coordinates uploaded by Scanpower meet the NZTM2000 standard.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The new connection process was discussed with Scanpower and the Audit Compliance report and the LIS and the EDA files were checked.

20 randomly selected ICPs, with updates to the status “Ready” in the registry during the audit period, were checked.

Audit commentary

We followed through 20 new connections and confirm that, for all ICPs, acceptance was received before the name of a proposed retailer was recorded in the registry.

The audit Compliance report identified 3 ICPs which did not have the status “Ready” prior to electricity being traded at the ICP.

Two ICPs 0009109000CA17C (DUMML) and 0003300260CA857, had the “Ready” status backdated by 42 and 8 BD. It was done at the request of GENE. Supporting emails were provided by Scanpower.

ICP 0004408620CA7D8 - had the status of “Ready” backdated by 5 BD. The delay was because the person responsible for updates was on leave.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.9 With: Clause 14 of Schedule 11.1 From: 16-Nov-20 To: 30-Nov-21	3 ICPs had the status “Ready” backdated Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	We recorded controls as strong because SCAN backdated two ICPs at the request of GENE. We recommended to SCAN to not accept such requests from a trader unless absolutely necessary. The company processes are strong and reliable.		
Actions taken to resolve the issue		Completion date	Remedial action status
Change process to no longer back date entries.		Immediate	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Scan will no longer back date for Traders		Ongoing	

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

This was discussed with Scanpower. The LIS file was checked.

Audit commentary

There were no ICPs with the status of “distributor” representing shared unmetered load or a connection to an embedded network during this audit period.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The process for decommissioning ICPs was checked using the Audit Compliance Summary Report for the audit period. The decommissioning process was discussed with Scanpower.

We checked a randomly selected sample of 8 ICPs that had been decommissioned during the audit period.

Audit commentary

Traders email requests for ICPs to be decommissioned to the Scanpower service inbox. A Scanpower technician is dispatched to carry out the decommission and the completion documentation returned to the Scanpower office. The Scanpower ICP database is updated with the decommission date and the retailer is notified via email. Scanpower monitors the registry and when the retailer changes the ICP status to “Inactive - ready for decommissioning”, Scanpower updates the registry status of the ICP to “decommissioned”.

The review of paperwork provided by Scanpower showed that for one ICP there was a discrepancy between the date recorded on the paperwork and the date of changing an ICP status to “decommissioning” in the registry. Scanpower entry shows the decommissioned date one day later. It was probably human error.

ICP	Paperwork	SCAN Event Date in the registry	SCAN Input Date in the registry	Retailer Input Date in the registry
0000900800CA5CF	21/12/20	21/12/20	14/01/21	21/12/20
0003208210CA466	19/01/21	19/01/21	10/12/21	24/05/21
0003703610CAA54	08/12/20	08/12/20	24/02/21	27/01/21
0003706500CA4DA	19/02/21	19/02/21	16/04/21	12/04/21
0003706640CA57C	19/02/21	19/02/21	16/04/21	12/04/21
0003807700CA107	28/06/21	29/06/21	10/12/21	30/06/21
0005701250CA829	18/12/21	18/12/21	24/02/21	21/01/21
0007702110CA61D	01/02/21	01/02/21	24/02/21	17/02/21

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: Clause 20 of Schedule 11.1 From: 28-Jun-21 To: 29-Jun-21	Decommissioning date for one ICP was recorded incorrectly Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as strong. The process is well controlled. One incorrect entry. No impact on settlement outcomes. The Audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Nil. operator error		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to ensure that event date matches paperwork date.		Ongoing	

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

The Price Category table in the registry was examined.

Audit commentary

There were no new Price Categories recorded in the registry during the audit period.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

The Loss Code table held by the registry was checked during this audit.

Audit commentary

Scanpower did not create any new Loss Category Codes to the registry during the audit period. There have been no new entries since 1999.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

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

Audit commentary

No updates to loss factor codes were uploaded to the registry. Loss factors have a single value for a whole year, which covers a range of trading periods. There are no separate loss factors for summer or winter.

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

We checked the NSP table in the registry. During the audit period Scanpower did not create a new, or decommission, an NSP.

Audit commentary

We confirmed by checking the NSP table in the registry that no new NSP was created and no NSP was 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 1 month before the NSP is electrically connected or the ICP is transferred.

Audit observation

As described in the previous section Scanpower has not created a new NSP during the audit period. The reconciliation manager was not asked to create a unique NSP identifier.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

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

Code related audit information

If a participant has notified the creation of an NSP on the distributor's network, the distributor must 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

During the audit period Scanpower did not create any new NSPs.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must 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

During the audit period Scanpower did not create any new NSPs or transfer an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor.

Audit commentary

During the audit period Scanpower did not become the owner of an embedded network.

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

We examined the NSP mapping table in the registry.

Audit commentary

Scanpower has two balancing areas, DANNEVKSCANG and WOODVLLSCANG. There were no changes to balancing areas.

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 1 month before the transfer.

Audit observation

There was no transfer of an ICP which resulted in an ICP becoming an NSP, at which an embedded network connected to a network.

Audit commentary

Compliance confirmed based on a statement from Scanpower.

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

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

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

During this audit period Scanpower did not have any NSPs, which they are responsible for, that are not connections to the grid.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

6.9. Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2))

Code reference

Clause 10.25(2)

Code related audit information

If the network owner proposes the creation of a new NSP which is not a point of connection to the grid it must:

- assume responsibility for being the metering equipment provider (Clause 10.25(2)(a)(i)); or
- contract with a metering equipment provider to be the MEP (Clause 10.25(2)(a)(ii)); and
- no later than 20 business days after identifying the MEP advise the reconciliation manager in the prescribed form of 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

During this audit period Scanpower did not have or create any NSPs, which they are responsible for, that are not connections to the grid.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

If a network owner acquires all or part of a network, the network owner must 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 1 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

During this audit period, Scanpower did not acquire all or part of a new network.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

Scanpower does not have any, and is not responsible for, any embedded networks.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Scanpower did not establish any embedded networks during this audit period.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Scanpower did not establish any embedded networks during this audit period.

Audit commentary

This clause is not applicable. Compliance was not assessed

Audit outcome

Not applicable

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

The distributor must 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

We reviewed the LIS file to assess if there is any shared unmetered load connected to the network.

Audit commentary

Scanpower has no shared unmetered load on its network.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The LIS file was reviewed. There is no shared unmetered load.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

We reviewed Scanpower's disclosure information and discussed this with Scanpower staff. There has been no change to the loss factors during this audit period.

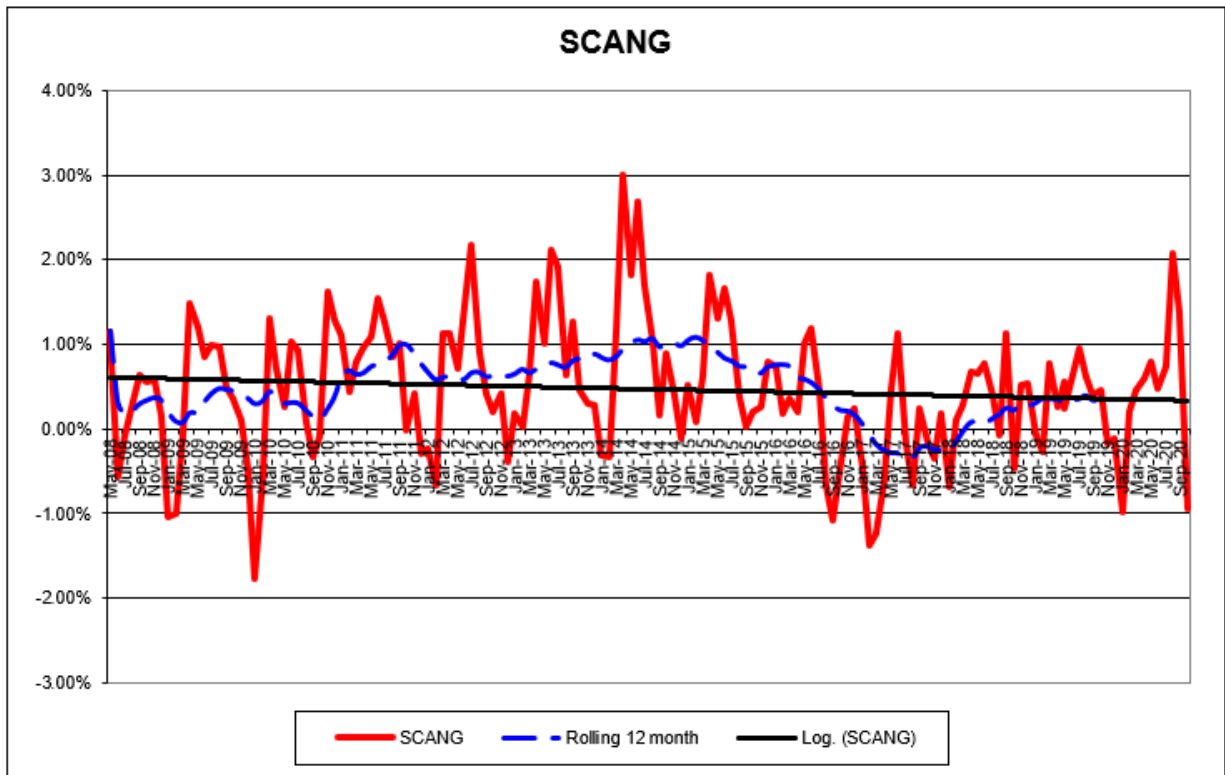
Audit commentary

Scanpower monitors losses periodically and with a drop in load and UFE trending down there have been no changes to the three loss factors in recent times. Scanpower's average network losses are 7.2% We confirmed that Scanpower published the loss factor and network losses on their website (in the pricing schedule and asset management plan).

Shown below are graphs of UFE on the network. 14 months UFE is 0.3%. According to the Guidelines on the calculation and use of loss factor for reconciliation purposes published 26/06/2018, UFE is expected to be within $\pm 1\%$ over the course of any 12 months period, so Scanpower's UFE is within that range.

UFE% by Network calculator

SCAN G



Audit outcome

[Click here to choose outcome from the drop down list.](#)

CONCLUSION

PARTICIPANT RESPONSE

Very pleased with audit and outcome.

Will continue with exception reporting to identify and correct errors and improve accuracy.