

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

**318 LAMBTON QUAY LIMITED (TOLQ)
NZBN:**

Prepared by: Steve Woods

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TABLE OF CONTENTS

Executive summary	4
Audit summary	5
Non-compliances	5
Recommendations	5
Issues	5
1. Administrative	6
1.1. Exemptions from Obligations to Comply with Code (Section 11)	6
1.2. Structure of Organisation	6
1.3. Persons involved in this audit	6
1.4. Use of contractors (Clause 11.2A)	7
1.5. Supplier list	7
1.6. Hardware and Software	7
1.7. Breaches or Breach Allegations	7
1.8. ICP and NSP Data	7
1.9. Authorisation Received	8
1.10. Scope of Audit	8
1.11. Summary of previous audit	9
Recommendations	9
2. Operational Infrastructure	10
2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1)) ..	10
2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2))	10
2.3. Removal or breakage of seals (Clause 48(1A) and 48(1B) of Schedule 10.7)	11
2.4. Provision of information on dispute resolution scheme (Clause 11.30A)	11
3. Creation of ICPs	12
3.1. Distributors must create ICPs (Clause 11.4)	12
3.2. Participants may request distributors to create ICPs (Clause 11.5(3))	12
3.3. Provision of ICP Information to the registry manager (Clause 11.7)	13
3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule	
11.1)	13
3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule	
11.1)	14
3.6. Connection of ICP that is not an NSP (Clause 11.17)	14
3.7. Connection of ICP that is not an NSP (Clause 10.31)	15
3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A)	15
3.9. Connection of NSP that is not point of connection to grid (Clause 10.30)	16
3.10. Temporary electrical connection of NSP that is not point of connection to grid (Clause	
10.30A and 10.30B)	16
3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1)	17
3.12. Loss category (Clause 6 Schedule 11.1)	17
3.13. Management of “new” status (Clause 13 Schedule 11.1)	18
3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1)	18
3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1)	19
3.16. Electrical connection of a point of connection (Clause 10.33A)	19
3.17. Electrical disconnection of a point of connection (Clause 10.30C and 10.31C)	19
3.18. Meter bridging (Clause 10.33C)	20

4.	Maintenance of registry information.....	21
4.1.	Changes to registry information (Clause 8 Schedule 11.1)	21
4.2.	Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1)	21
4.3.	Customer queries about ICP (Clause 11.31).....	22
4.4.	ICP location address (Clause 2 Schedule 11.1).....	22
4.5.	Electrically disconnecting an ICP (Clause 3 Schedule 11.1).....	23
4.6.	Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1)	23
4.7.	Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1)	25
4.8.	GPS coordinates (Clause 7(8) and (9) Schedule 11.1)	25
4.9.	Management of “ready” status (Clause 14 Schedule 11.1)	26
4.10.	Management of “distributor” status (Clause 16 Schedule 11.1)	26
4.11.	Management of “decommissioned” status (Clause 20 Schedule 11.1)	27
4.12.	Maintenance of price category codes (Clause 23 Schedule 11.1).....	27
5.	Creation and maintenance of loss factors	29
5.1.	Updating table of loss category codes (Clause 21 Schedule 11.1).....	29
5.2.	Updating loss factors (Clause 22 Schedule 11.1)	29
6.	Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs).....	30
6.1.	Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1).....	30
6.2.	Provision of NSP information (Clause 26(1) and (2) Schedule 11.1).....	30
6.3.	Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1)	31
6.4.	Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)	31
6.5.	Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1)	32
6.6.	Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1)	32
6.7.	Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)	33
6.8.	Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1) and 10.25(3))	33
6.9.	Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2)).....	34
6.10.	Obligations concerning change in network owner (Clause 29 Schedule 11.1)	34
6.11.	Change of MEP for embedded network gate meter (Clause 10.22(1)(b))	35
6.12.	Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)	35
6.13.	Transfer of ICPs for embedded network (Clause 6 Schedule 11.2).....	36
7.	Maintenance of shared unmetered load	37
7.1.	Notification of shared unmetered load ICP list (Clause 11.14(2) and (4))	37
7.2.	Changes to shared unmetered load (Clause 11.14(5)).....	37
8.	Calculation of loss factors	38
8.1.	Creation of loss factors (Clause 11.2).....	38
	Conclusion	39
	Participant response	39

EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **318 Lambton Quay Limited (TOLQ)** to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

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

The embedded network is managed by **Smartpower**, who assisted with this audit.

TOLQ is responsible for one embedded network in Wellington. Most of TOLQ's compliance is reliant on the compliance of TEG & Associates (TEG), as a contractor to TOLQ. Their audit report is to be submitted with this audit.

There is a minimal amount of activity on this embedded network. The processes in place to manage the code requirements are robust.

This audit did not identify any non-compliances. The audit risk rating recommends the next audit be in 36 months and I agree with this recommendation.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			Nil				
Future Risk Rating							

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

RECOMMENDATIONS

Subject	Section	Recommendation	Description
		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

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

Audit commentary

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

1.2. Structure of Organisation

Smartpower provided an organisational structure for the purposes of the function being audited:

- Bruce Stubbing – Director
- Nick Oldham – GM Utility Solutions

1.3. Persons involved in this audit

Auditor:

Name	Company	Title
Steve Woods	Veritek Limited	Lead Auditor
Claire Stanley	Veritek Limited	Supporting Auditor

Personnel assisting in this audit were:

Name	Title	Organisation
Ewa Glowacka	Director	TEG and Associates
Nick Oldham	General Manager	Smart Power Limited T/A Energy Select

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

- *remains responsible for the 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

TEG carries out TOLQ's registry activities.

TEG does not complete all compliance activities on behalf of TOLQ. Specifically, TEG does not calculate loss factors but does load the loss factors provided by TOLQ onto the registry.

1.5. Supplier list

TEG carries out TOLQ's registry activities.

1.6. Hardware and Software

This is covered in TEG's audit report.

1.7. Breaches or Breach Allegations

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

1.8. ICP and NSP Data

Review of the NSP table showed TOLQ had the following NSP as of January 2022.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
TOLQ	TLQ0011	318 LAMBTON QUAY WELLINGTON	WIL0331	CKHK	TLQ0011TOLQE	E	1/03/2017	18

No NSPs were transferred to or from other networks during the audit period.

Status	Number of ICPs (2022)	Number of ICPs (2020)	Number of ICPs (2018)
New (999,0)	-	-	-
Ready (0,0)	-	-	-
Active (2,0)	18	18	18
Distributor (888,0)	-	-	-
Inactive – new connection in progress (1,12)	-	-	-
Inactive – electrically disconnected vacant property (1,4)	-	-	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	-	-	-
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-
Decommissioned (3)	6	6	6

1.9. Authorisation Received

A letter of authorisation was provided.

1.10. Scope of Audit

This Distributor audit was performed at the request of TOLQ, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

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

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

Functions Requiring Audit Under Clause 11.10(4) of Part 11	Contractors Involved in Performance of Tasks
The creation of ICP identifiers for ICPs.	TOLQ provide new ICPs to TEG & Associates, who update the registry.
The provision of ICP information to the registry and the maintenance of that information.	TEG & Associates
The creation and maintenance of loss factors.	TOLQ calculate loss factors and TEG & Associates update the loss factor table with the values provided.

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

1.11. Summary of previous audit

The previous audit was conducted in May 2020 by Tara Gannon of Veritek Limited. This report recorded four non-compliances and made one recommendation. The table below records their current status.

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	16 active ICPs which were electrically connected prior to the audit period did not have initial electrical connection dates populated. The registry was updated during the audit.	Cleared
Requirement to correct errors	2.2	Clause 11.2(2) and 10.6(2)	Missing initial electrical dates for 16 ICPs were not updated as soon as practicable. The registry was updated during the audit.	Cleared
Distributors to Provide ICP Information to the Registry manager	4.6	7(1) Schedule 11.1	16 active ICPs which were electrically connected prior to the audit period did not have initial electrical connection dates populated. The registry was updated during the audit.	Cleared
Responsibility for metering information for NSP that is not a POC to the grid	6.8	10.25(1) and 10.25(3)	The meter certification details for TLQ0011 were updated 68 business days after the certification date.	Cleared

RECOMMENDATIONS

Subject	Section	Recommendation	Status
Requirement to provide complete and accurate information	2.1	Confirm the correct statuses for decommissioned ICPs 0000000101LQ107, 0000000201LQ204 and 0000000301LQB00, and update the registry as necessary	Cleared

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

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

The registry list file as of 31 January 2022, the combined audit compliance reports for 1 April 2020 to 31 January 2022 and the TEG activity log in relation to TOLQ were examined to determine compliance.

Audit commentary

This process is discussed in the TEG report. Examination of the list file found all information populated as required and all practicable steps are taken to check this as part of the business-as-usual processes.

Audit outcome

Compliant

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

The management of this process is discussed in the TEG contractor report. I examined the registry list file as of 31 January 2022 and the TEG activity log in relation to TOLQ to confirm compliance.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

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

Audit observation

The PR-255 file was examined to determine whether load control devices existed on the network.

Audit commentary

TOLQ confirmed that there are no load controls on the TOLQ network.

Audit outcome

Compliant

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

Code reference

Clause 11.30A

Code related audit information

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

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

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

Audit observation

The Disputes Resolution information for TOLQ was examined to determine compliance.

Audit commentary

The email signature for Smartpower provides information about Utilities Disputes, including the link to the Utilities Disputes website. TOLQ is a very small network, they do not have any interactions with consumers, these are all handled by the retailer.

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 is discussed in the TEG contractor report. I also examined a registry list file as of 31 January 2022 to confirm compliance.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. There were no new ICPs created.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The management of this process is discussed in the TEG contractor report. The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. There were no new ICPs requested.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The new connection process is discussed in the TEG audit report. The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. No new ICPs were created during the audit period.

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 process to provide initial ICP information is discussed in the TEG audit report. The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. No new ICPs were created during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

The distributor must provide the information specified in 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 process to provide initial electrical connection dates is discussed in the TEG audit report.

The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. No new ICPs were created, and no initial electrical connection date updates were processed during the report period.

Audit outcome

Compliant

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

Code reference

Clause 11.17

Code related audit information

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

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

In respect of ICPs across which unmetered load is shared, the distributor must not connect an ICP unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load, and all traders that are responsible for an ICP on the shared unmetered load have been advised.

Audit observation

The new connection process is discussed in the TEG audit report.

The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG audit report. Review of the registry list confirmed that a trader is currently recorded for all active ICPs, and there is no known shared unmetered load on TOLQ's network. No new ICPs were created or connected during the audit period.

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 new connection process is discussed in the TEG contractor report. The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined to determine compliance.

Audit commentary

The process for the updating of the registry is discussed in the TEG agent report. Review of the registry list confirmed that a trader is currently recorded for all active ICPs, and there is no known shared unmetered load on TOLQ's network.

No new ICPs were created or connected during the audit period.

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

The new connection process is discussed in the TEG contractor report. The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG contractor report. No new ICPs were created or connected during the audit period. No ICPs were identified as being temporarily electrically connected during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.30

Code related audit information

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

The distributor that initiates the connection under Part 11 and connects the NSP must, within 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 management of this process is discussed in the TEG report. The NSP table was reviewed.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. No new NSPs were connected during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.30A and 10.30B

Code related audit information

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

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

A distributor may only electrically connect an NSP if:

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

Audit observation

The NSP table was reviewed.

Audit commentary

No new NSPs were connected during the audit period, and there were no temporary electrical connections.

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:

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

The ICP creation process is discussed in the TEG audit report.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause.

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 as of 31 January 2022 was examined to confirm whether all active ICPs have a single loss category.

Audit commentary

Each active ICP only has a single 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 ICP creation process was reviewed as part of the TEG agent audit.

The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined to identify all ICPs at “new” status. Monitoring of ICPs at “new” status is discussed in **section 3.14**.

Audit commentary

Compliance is recorded in the TEG audit report. The “new” status was not used during the audit period.

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

Monitoring of “new” and “ready” status is discussed in the TEG report. The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. ICPs at “new” or “ready” status for more than six months are followed up with the trader to determine whether they are still required.

An examination of the audit compliance report found no ICPs at the “ready” status for more 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 registry list as of 31 January 2022 was examined to determine compliance.

Audit commentary

Review of the registry list confirmed that no ICPs have embedded generation.

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

Sub-clause (4) states that no participant may electrically connect a point of connection without the permission of the Reconciliation Participant.

The registry list as of 31 January 2022 was reviewed to determine compliance.

Audit commentary

TOLQ does not electrically connect any points of connection. This activity is undertaken by the trader. There are no unmetered streetlight ICPs which could have additional load added to on this network.

Audit outcome

Compliant

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

Code reference

Clause 10.30C and 10.31C

Code related audit information

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

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

under its contract with the consumer for that ICP

Audit observation

Processes were examined for the disconnection and electrical disconnection of ICPs and NSPs.

TOLQ requires all requests for disconnection to be sent to the trader.

Audit commentary

No ICPs were disconnected or electrically disconnected by TOLQ during the audit period.

Audit outcome

Compliant

3.18. Meter bridging (Clause 10.33C)

Code reference

Clause 10.33C

Code related audit information

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

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

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

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

Audit observation

The TOLQ process for bridging control devices was examined. TOLQ requires all requests for meter bridging to be sent to the trader.

Audit commentary

No meters were bridged by TOLQ during the audit period.

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 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.

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

Audit observation

The management of this process is discussed in the TEG report. The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined to identify any late changes to registry information during the audit period.

Initial population of data for new connections is discussed in **sections 3.4** and **3.5**.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. No address, network, pricing or status updates were processed during the registry report period.

Audit outcome

Compliant

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 management of this process is discussed in the TEG report. The combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined to determine compliance, and the registry list and NSP table were compared.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. Due to the nature of embedded networks, there is no uncertainty regarding the ICP and NSP relationships. A check of the list file confirmed compliance.

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 examined.

Audit commentary

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

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to determine correct and unique addresses was examined during the TEG agent audit. The combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined to determine compliance

Audit commentary

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

Audit outcome

Compliant

4.5. 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 management of this process was examined.

Audit commentary

TOLQ confirmed that all ICPs comply with this clause. They have a good understanding of this requirement, and as this network was created post this requirement, this scenario is unlikely to arise.

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

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

The list file was examined to check for the population of all required information and its alignment with the trader where appropriate e.g., distributed generation, unmetered load if known and shared unmetered load.

Audit commentary

Compliance is recorded in the TEG contractor report. Examination of the list file confirmed that ICP information has been populated correctly. The list file did not identify any ICPs with distributed generation or unmetered load.

Audit outcome

Compliant

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

The distributor must provide the following information to the registry 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 this process is discussed in the TEG report. The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. There were no new connections during the audit period.

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 registry list as of 31 January 2022 was examined to confirm compliance.

Audit commentary

None of TOLQ's ICPs have GPS coordinates recorded on the registry.

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 ICPs at "ready" status were reviewed as part of the TEG agent audit. The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were examined.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. All ICPs are generally created at "ready" status once the details of the proposed trader details have been provided to TEG. The "ready" status was not used during the audit period.

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

Processes to manage ICPs at "distributor" status were reviewed as part of the TEG agent audit.

The registry list file as of 31 January 2022, and the combined audit compliance reports for 1 April 2020 to 31 January 2022 were reviewed to identify all ICPs at "distributor" status.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause.

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

The “distributor” status was not used during the 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 management of this process is discussed in the TEG contractor report. The list file was examined in relation to the use of the decommissioned status.

Audit commentary

Compliance is recorded in the TEG contractor report. No ICPs have been decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

The price category code table on the registry was examined to determine compliance.

Audit commentary

No price categories were created or changed 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 management of this process is discussed in the TEG report. The loss category code table on the registry was examined to determine compliance.

Audit commentary

TOLQ has not created any new loss category codes during the audit period.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TEG report. The loss category code table on the registry was examined to determine compliance.

Audit commentary

TOLQ has not updated any loss category codes during the audit period.

There was only one loss factor per category code per month.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

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

If the distributor wishes to change the record in the registry of an ICP that is not recorded as being usually connected to an NSP in the distributor's network, so that the ICP is recorded as being usually connected to an NSP in the distributor's network, 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 was examined.

Audit commentary

No NSPs have been created or decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was examined.

Audit commentary

No NSPs have been 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 was examined.

Audit commentary

No balancing area changes have occurred during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must give notice to the reconciliation manager at least one month before the creation or transfer of:

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

Audit observation

The NSP table was reviewed.

Audit commentary

TOLQ has not created any new embedded networks during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

TOLQ has not created any new embedded networks during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No ICPs were transferred during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

TEG monitors meter certification expiry dates for all of the networks they act as the registry agent for. The NSP has not been recertified during the audit period. Compliance is recorded in the TEG contractor report. The NSP supply point table as of February 2022 was reviewed:

Distributor	NSP POC	Description	MEP	Certification Expiry
TOLQ	TLQ0011	318 LAMBTON QUAY WELLINGTON	AMCI	28/08/2022

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

No NSPs were created during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

If a network owner acquires all or part of a network, the network owner must give written notice to:

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

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

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

Audit observation

The NSP table on the registry was examined.

Audit commentary

TOLQ has not acquired any networks.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The MEP change process was reviewed as part of the TEG agent audit. The NSP table was examined.

Audit commentary

Compliance is recorded in the TEG audit report in relation to this clause. There have been no MEP changes during the audit period.

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 ICP transfer process was reviewed as part of the TEG agent audit. The NSP table and the registry list file as of 31 January 2022 was examined.

Audit commentary

No ICPs have been transferred 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 ICP transfer process was reviewed as part of the TEG agent audit. The registry list file as of 31 January 2022 was examined.

Audit commentary

No ICP transfers were initiated by TOLQ 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

The registry list file as of 31 January 2022 was examined to determine compliance.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list file as of 31 January 2022 was examined to determine compliance

Audit commentary

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

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 calculation of loss factors was reviewed.

Audit commentary

TOLQ derives loss factors for loss category codes from the published parent network loss factors. TOLQ loss factors are calculated as the LE ICP loss factor/loss factor for a similar ICP on the parent network. This means that when the LE ICP loss factor is multiplied by the TOLQ ICP loss factor, the resulting loss factor is the same as what would be applied for the ICP if it was located directly on the parent network.

I stepped through the process and confirmed that the loss factors were calculated and assigned as expected. There were no changes during the audit period.

Audit outcome

Compliant

CONCLUSION

The embedded network is managed by Smartpower, who assisted with this audit.

TOLQ is responsible for one embedded network in Wellington. Most of TOLQ's compliance is reliant on the compliance of TEG & Associates (TEG), as a contractor to TOLQ. Their audit report is to be submitted with this audit.

There is a minimal amount of activity on this embedded network. The processes in place to manage the code requirements are robust.

This audit did not identify any non-compliances. The audit risk rating recommends the next audit be in 36 months and I agree with this recommendation.

PARTICIPANT RESPONSE

TOLQ have reviewed this report and no further comments were provided.