

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

ALPINE ENERGY LIMITED
NZBN: 9429039239013

Prepared by: Steve Woods

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TABLE OF CONTENTS

Executive summary	4
Audit summary	5
Non-compliances	5
Recommendations	6
Issues 6	
1. Administrative	7
1.1. Exemptions from Obligations to Comply with Code (Section 11)	7
1.2. Structure of Organisation	7
1.3. Persons involved in this audit	8
1.4. Use of Contractors (Clause 11.2A)	8
1.5. Supplier List	9
1.6. Hardware and Software	9
1.7. Breaches or Breach Allegations	9
1.8. ICP and NSP Data	9
1.9. Authorisation Received	10
1.10. Scope of Audit	11
1.11. Summary of previous audit	12
2. Operational Infrastructure	14
2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1)) ..	14
2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2))	15
2.3. Removal or breakage of seals (Clause 48(1A) and 48(1B) of Schedule 10.7)	16
2.4. Provision of information on dispute resolution scheme (Clause 11.30A)	16
3. Creation of ICPs	18
3.1. Distributors must create ICPs (Clause 11.4)	18
3.2. Participants may request distributors to create ICPs (Clause 11.5(3))	18
3.3. Provision of ICP Information to the registry manager (Clause 11.7)	19
3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule	
11.1)	20
3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule 11.1)	
.....	21
3.6. Connection of ICP that is not an NSP (Clause 11.17)	23
3.7. Connection of ICP that is not an NSP (Clause 10.31)	24
3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A)	25
3.9. Connection of NSP that is not point of connection to grid (Clause 10.30)	25
3.10. Temporary electrical connection of NSP that is not point of connection to grid Clause 10.30A	
and 10.30B)	26
3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1)	26
3.12. Loss category (Clause 6 Schedule 11.1)	27
3.13. Management of “new” status (Clause 13 Schedule 11.1)	27
3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1)	28
3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1)	28
3.16. Electrical connection of a point of connection (Clause 10.33A)	29
3.17. Electrical disconnection of a point of connection (Clause 10.30C and 10.31C)	29
3.18. Meter bridging (Clause 10.33C)	29
4. Maintenance of registry information	31

4.1.	Changes to registry information (Clause 8 Schedule 11.1)	31
4.2.	Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1)	34
4.3.	Customer queries about ICP (Clause 11.31).....	35
4.4.	ICP location address (Clause 2 Schedule 11.1).....	35
4.5.	Electrically disconnecting an ICP (Clause 3 Schedule 11.1).....	36
4.6.	Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1)	36
4.7.	Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1)	40
4.8.	GPS coordinates (Clause 7(8) and (9) Schedule 11.1)	41
4.9.	Management of “ready” status (Clause 14 Schedule 11.1)	41
4.10.	Management of “distributor” status (Clause 16 Schedule 11.1)	42
4.11.	Management of “decommissioned” status (Clause 20 Schedule 11.1)	42
4.12.	Maintenance of price category codes (Clause 23 Schedule 11.1).....	44
5.	Creation and maintenance of loss factors	45
5.1.	Updating table of loss category codes (Clause 21 Schedule 11.1)	45
5.2.	Updating loss factors (Clause 22 Schedule 11.1)	46
6.	Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs).....	48
6.1.	Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1).....	48
6.2.	Provision of NSP information (Clause 26(1) and (2) Schedule 11.1).....	49
6.3.	Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1)	49
6.4.	Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1) ...	50
6.5.	Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1)	50
6.6.	Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1)	51
6.7.	Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)	51
6.8.	Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1) and 10.25(3))	51
6.9.	Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2)).....	52
6.10.	Obligations concerning change in network owner (Clause 29 Schedule 11.1)	52
6.11.	Change of MEP for embedded network gate meter (Clause 10.22(1)(b))	53
6.12.	Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)	53
6.13.	Transfer of ICPs for embedded network (Clause 6 Schedule 11.2).....	54
7.	Maintenance of shared unmetered load	55
7.1.	Notification of shared unmetered load ICP list (Clause 11.14(2) and (4))	55
7.2.	Changes to shared unmetered load (Clause 11.14(5)).....	55
8.	Calculation of loss factors	56
8.1.	Creation of loss factors (Clause 11.2).....	56
	Conclusion	58
	Participant response	59

EXECUTIVE SUMMARY

This distributor audit was conducted at the request of **Alpine Energy Ltd (Alpine Energy)** 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.

As noted in the last audit, Alpine is still working on the project to automate their customer interface workflow which will feed information into the ICP database. This will assist in improving the return of paperwork from the field. A material change audit is planned before the customer interface workflow goes live to ensure that Alpine can meet its code requirements.

Alpine has continued to show improvement of their compliance during the audit period. They are reviewing the registry compliance reports on a regular basis. Alpine monitor the work with contractors in the field to ensure they meet their obligations; this is done daily; this will continue to improve the timeliness for updating the registry.

As detailed in the last audit, Alpine Energy advised that the new categories and loss factors would be updated for the next financial year, this was completed but the required notification period was not provided. Examination of UFE indicates that the current loss factors are too high with negative losses continuing to increase. It is likely that it will take time for the corrections to flow through and be reflected in the UFE graph for the updated and new loss factors.

The audit found 10 non-compliances, make no recommendations. The audit risk rating is 19, and the next audit frequency table indicates that the next audit be due in 12 months. I have considered this in conjunction with Alpine Network's responses and I recommend that the next audit is in 12 months.

The matters raised are set out in the table below.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Four ICPs became active during the audit period but had no initial electrical connection date populated. Incorrect IECD dates populated for 26,266 active ICPs prior to the requirement to populate this information.	Moderate	Low	2	Identified
Provision of ICP Information to the registry manager	3.3	11.7	Four ICPs became active during the audit period but had no initial electrical connection date populated.	Strong	Low	1	Identified
Timeliness of Provision of ICP Information to the registry manager	3.4	Clause 7(2) of Schedule 11.1	Late update to the registry for one ICP electrically connected during the audit period.	Strong	Low	1	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	12 late initial electrical connection date updates.	Strong	Low	1	Identified
Changes to registry information	4.1	8 Schedule 11.1	672 late pricing updates. 49 late address updates. Four late status updates. 26 late network updates. 11 late distributed generation updates.	Moderate	Low	2	Identified
Distributors to Provide ICP Information to the Registry manager	4.6	7(1)(o) & (p) Schedule 11.1	Incorrect NSP dedicated/non-dedicated flag applied to some ICPs.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			Four electrically connected ICPs with no initial electrical connection date recorded. One ICP with the incorrect initial electrical connection date recorded.				
Management of "decommissioned" status	4.11	20 Schedule 11.1	Ten ICPs with the incorrect decommissioning date recorded.	Moderate	Low	2	Identified
Updating table of loss category codes	5.1	21 Schedule 11.1	Required notice period not provided for four new loss category codes.	Moderate	Low	2	Identified
Updating loss factors	5.2	Clause 22 Schedule 11.1	Required notice period not provided for four updated loss category codes.	Moderate	Low	2	Identified
Creation of loss factors	8.1	11.2	Loss factors are not accurate in relation to reconciliation losses.	Moderate	Medium	4	Identified
Future Risk Rating						19	

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

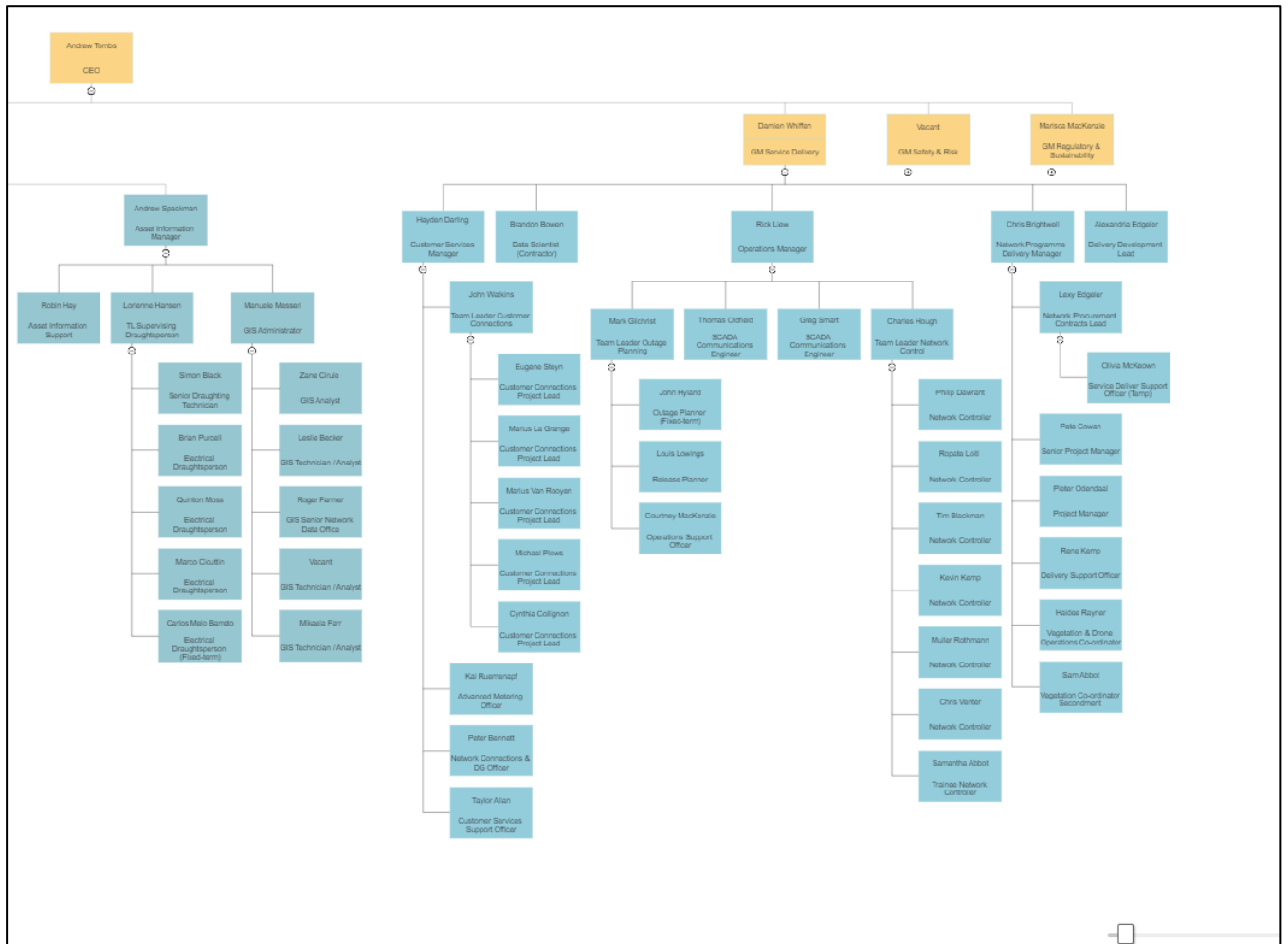
The Electricity Authority website was checked to determine whether Alpine Energy has any code exemptions in place.

Audit commentary

Review of exemptions on the Electricity Authority website confirmed that there are no exemptions in place relevant to the scope of this audit.

1.2. Structure of Organisation

Alpine provided a copy of the relevant parts of the organisation structure:



1.3. Persons involved in this audit

Veritek Auditors:

Name	Role
Steve Woods	Lead Auditor
Claire Stanley	Supporting Auditor

Personnel assisting in this audit were:

Name	Title
Hayden Darling	Customer Services Manager
Peter Bennett	Metering Officer
Kai Ruemenapf	Project Co-ordinator
Olivia McKeown	Customer Services Support Officer
Ferdinand Kruger	Commercial & Regulatory Analyst

1.4. Use of Contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

The use of contractors was discussed with Alpine Energy.

Audit commentary

Alpine engages the following contractors to conduct field activities on their network:

- John Hardie - independent contractor for inspections only, and
- NETcon Ltd.

Alpine understands their responsibilities under this clause.

1.5. Supplier List

Alpine Energy has provided the list of sub-contractors authorised to perform livening activities on their network in **section 1.4**.

1.6. Hardware and Software

Alpine Energy uses the following systems:

- Microsoft Access database and VB application for the ICP database, which is used to maintain registry information,
- Microsoft SQL Server and VB.Net application for the G.E.M.A. GIS, and
- AXOS for billing.

Access to the databases is restricted through network access permissions, and access to the network is restricted using logins and passwords.

The ICP database and GIS are fully backed up every night, with incremental backups every 15 minutes. The GIS is backed up as part of Alpine Energy's virtual systems and the ICP database is backed up to a physical server in a separate location.

As mentioned in previous audits, Alpine still intends to change the customer interface and move the management of all customer and contractor interactions to be online. This is still in the development phase. A material change audit is planned before the customer interface goes live to ensure that Alpine can meet its code requirements.

1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there have been no alleged breaches for Alpine Energy.

1.8. ICP and NSP Data

Alpine Energy has responsibility for the NSPs in the table below. There have been no changes to the NSPs during the audit period.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of active ICPs
ALPE	ABY0111	ALBURY			CENTRALALPEG	G	1/01/2012	1,684
ALPE	BPD1101	Bells Pond			CENTRALALPEG	G	1/01/2012	633
ALPE	STU0111	STUDHOLME			CENTRALALPEG	G	1/01/2012	3,314
ALPE	TIM0111	TIMARU			CENTRALALPEG	G	1/01/2012	18,242
ALPE	TKA0331	TEKAPO A			TKA0331ALPEG	G	1/05/2008	989
ALPE	TMK0331	TEMUKA			CENTRALALPEG	G	1/01/2012	6,937
ALPE	TWZ0331	TWIZEL			TWZ0331ALPEG	G	1/05/2008	1,716

There are also two embedded networks connected to Alpine Energy's network. There have been no changes to the NSPs during the audit period.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date
MOPO	MMP0111	MACKENZIE PARK	TWZ0331	ALPE	MMP0111MOPOE	E	1/05/2008
MOPO	MMT0111	MANUKA TERRACE	TWZ0331	ALPE	MMT0111MOPOE	E	1/05/2008

A summary of Alpine Energy's ICPs by status is shown in the table below:

Status	Number of ICPs (2022)	Number of ICPs (2021)	Number of ICPs (2021)	Number of ICPs (2020)
New (999,0)	0	0	0	0
Ready (0,0)	70	39	58	47
Active (2,0)	33,515	33,219	33,086	32,995
Distributor (888,0)	2	2	2	2
Inactive – new connection in progress (1,12)	36	36	29	19
Inactive – electrically disconnected vacant property (1,4)	491	502	475	500
Inactive – electrically disconnected remotely by AMI meter (1,7)	129	123	112	108
Inactive – electrically disconnected at pole fuse (1,8)	19	15	9	9
Inactive – electrically disconnected due to meter disconnected (1,9)	1	2	2	2
Inactive – electrically disconnected at meter box fuse (1,10)	2	1	3	2
Inactive – electrically disconnected at meter box switch (1,11)	1	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	3	0	18	24
Inactive – reconciled elsewhere (1,5)	0	0	0	0
Decommissioned (3)	2,651	2,537	2,529	2,509

1.9. Authorisation Received

A letter of authorisation was provided.

1.10. Scope of Audit

This distributor audit was conducted at the request of **Alpine Energy Ltd (Alpine Energy)** to encompass the Electricity Industry Participation Code requirement for an audit in accordance with clause 11.10 of part 11.

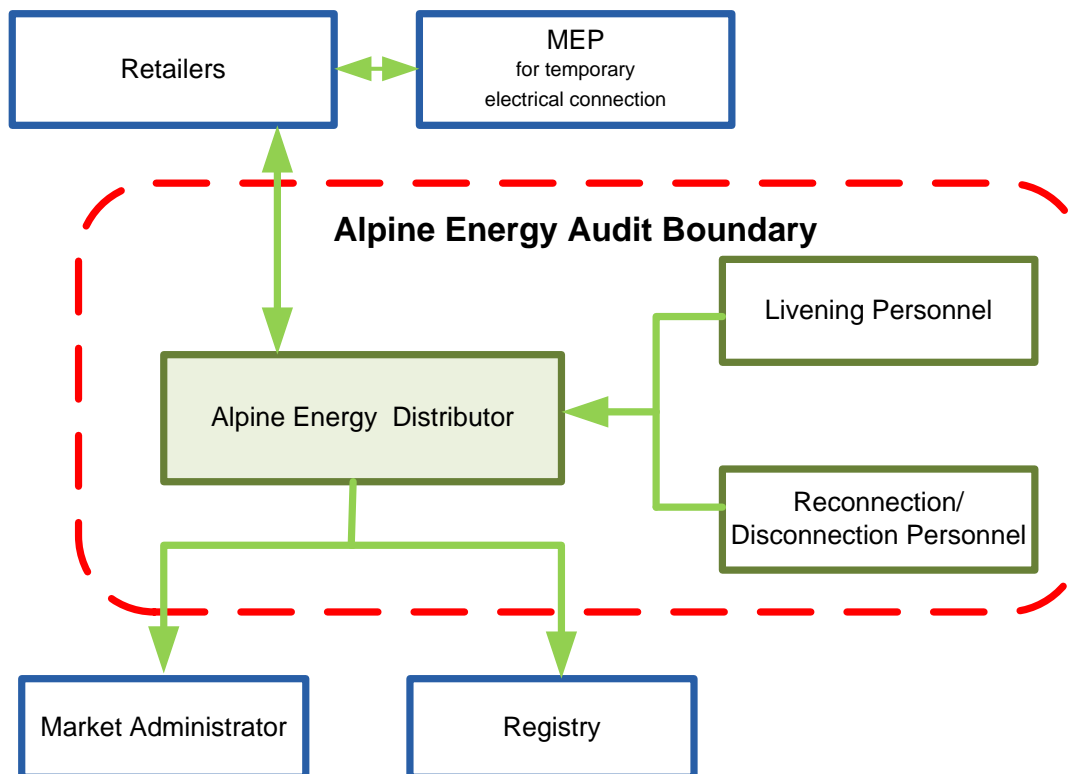
The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

The audit was carried out on site on 6th October 2022.

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

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

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



1.11. Summary of previous audit

I reviewed the previous audit conducted in November 2021 by Rebecca Elliot of Veritek Limited. The audit recorded eight non-compliances and made four recommendations. The current status of the non-compliances and recommendations is listed below.

Table of Non-compliance

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Three ICPs electrically connected during the audit period with no initial electrical connection date recorded. Incorrect IECD dates populated for 27,000 ICPs prior to the requirement to populate this information.	Still existing Still existing
Removal or breakage of seals	2.3	48(1A) and 48(1B) of Schedule 10.7	Alpine did not seal the terminal cover for ICP 0006473601AL29E after the visiting the site.	Cleared
Provision of information on dispute resolution scheme	2.4	11.30A	Utilities Disputes information is not provided across all correspondence queries and phone communications with consumers.	Cleared
Provision of ICP Information to the registry manage	3.3	11.7	Three ICPs became active during the audit period but had no initial electrical connection date populated.	Still existing
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	38 late initial electrical connection date updates.	Still existing
Changes to registry information	4.1	8 Schedule 11.1	379 late pricing updates. Four late address updates. Six late status updates. Seven late network updates. Three late distributed generation updates.	Still existing

Subject	Section	Clause	Non-compliance	Status
Distributors to Provide ICP Information to the Registry manager	4.6	7(1)(o) & (p) Schedule 11.1	<p>Incorrect NSP dedicated/non-dedicated flag applied to some ICPs.</p> <p>Three electrically connected ICPs with no initial electrical connection date recorded.</p> <p>Six ICPs with the incorrect initial electrical connection date recorded.</p> <p>Incorrect IECD dates populated for a large number of ICPs prior to the requirement to populate this information.</p>	Still existing
Creation of loss factors	8.1	11.2	Loss factors are not accurate in relation to reconciliation losses.	Still existing

Table of Recommendations

Subject	Section	Recommendation	Description	Status
Removal or breakage of seals	2.3	Load control switch bridging	Ensure all personnel engaged in load control device bridging are qualified to perform the bridging and sealing activities.	Cleared
			Prepare and maintain a training and competency schedule for all relevant personnel.	Cleared
			Ensure that re-sealing occurs when bridging activities are conducted by non-ATH approved personnel.	Cleared
			Ensure MEPs are notified as well as traders that bridging has occurred.	Cleared
Distributors to Provide ICP Information to the Registry manager	4.6	Distributed Generation	Monitor the EIEP1 reports to identify ICPs with "I" flow where none is expected and check for any negative values as this may indicate where distributed generation is present without import/export metering installed.	Cleared using AC020 report
		Distributor unmetered load details	Put a process in place for all unmetered load new connections so that these are loaded when an unmetered load new connection has its initial electrical connection date populated and check the load details against the application form. Check any discrepancies with the trader.	Cleared

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

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

The registry list for 31 August 2022 and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to confirm compliance.

Audit commentary

Alpine improved their processes and have robust discrepancy reporting and monitoring in place, including the audit compliance reports to identify discrepancies and correct them.

The audit found four ICPs with no initial electrical connection date, these were mostly due to late provision of paperwork. These are detailed in **section 4.6**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: Clauses 11.2(1) and 10.6(1) From: 01-Jul-21 To: 31-Aug-22	Four ICPs became active during the audit period but had no initial electrical connection date populated. Incorrect IECD dates populated for 26,266 active ICPs prior to the requirement to populate this information. 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 rated as moderate with areas of improvement identified. The audit risk rating is low as the discrepancies identified have little or no direct impact on reconciliation.		
Audit Comments for reference		Completion date	Remedial action status
Field staff not returning NCA paperwork timely has still been an issue, we have a very manual system reliant of field staff to complete a paperwork task which additionally has no reporting data back to the office staff. CAT 2 metering has also been problem with the field staff worker not returning paperwork at the time of livening vs metering being completed.		Now in place	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have as an immediate improvement introduced a NCA working Team with a working list of all issued work to field staff of NCA paperwork, which is updated, reviewed daily and followed up on to confirm completed and outstanding work, this will assist on all field related paperwork.		Now in place	

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

Alpine Energy's data management processes were examined. The registry list for 31 August 2022, and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to determine compliance.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

- *ensure personnel 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. The management of removal and breakage of seals was discussed.

Audit commentary

Alpine may remove or break a seal to bridge load control switches after hours as a result of direct contact from a customer. NETcon will then attend site to reseal the load control, the contractor provides a photo of the meter and the seal when the fault has been attended. Alpine informs the MEP and the retailer of the reseal.

The seals are numbered, and Alpine maintain a register that records who the seal is issued to and where the seal has been used.

The last audit made a number of recommendations to ensure compliance, and these have been implemented by Alpine.

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 Alpine Energy was examined to determine compliance. The Alpine Energy Network website was checked and one example of correspondence to a consumer was provided by Alpine.

Audit commentary

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

The following were provided by Alpine and examined:

- the Alpine website link,
- a Facebook message,
- letter templates, and
- email signature examples.

These are used for correspondence to consumers. The IVR message on the 0800 number was also checked.

Audit outcome

Compliant

3. CREATION OF ICPS

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

The new connection process was examined in detail and is described in **section 3.2** below. Twenty new connection applications of the 402 created were sampled using diverse characteristic methodology from the point of application through to when the ICP was created.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The new connection process was examined in detail. Twenty new connection applications of the 402 created during the audit period were checked from the point of application through to when the ICP was created. These were selected using the diverse characteristic methodology to confirm the process and controls worked in practice.

Audit commentary

Alpine Energy receives new connection requests from customers' agents, normally electricians, who provide a completed Network Application form on which a retailer is nominated. The trader is expected to notify Alpine if they reject the ICP, and the customer is notified.

Network engineers evaluate each application to ensure network capacity is available at the requested location. The application is then returned to the new connection's personnel where an ICP identifier is created in the ICP database and moved to "ready" status once approval from the trader is received. The registry is automatically updated from the ICP database. A spreadsheet is used to manage and monitor new connections in progress, which is monitored on a daily basis.

The new connections checked were requested by the customer or customer's agent, not the trader. As the customer applies to Alpine in the first instance the 3-day rule does not apply. Compliance is confirmed.

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

Twenty new connection applications of the 402 ICPs were checked from the point of application through to when the ICP was created, to confirm the process and controls worked in practice.

Audit commentary

Alpine Energy has a fully automated registry update process to ensure all information listed in this clause is provided to the registry. Validation occurs within the database to ensure mandatory fields are populated. All had the correct information populated as required by this clause, except for four newly electrically connected ICPs with no initial electrical connection dates recorded. This is recorded as non-compliance below and in **sections 2.1** and **4.6**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.3 With: Clause 11.7 From: 01-Jul-21 To: 31-Aug-22	Four ICPs became active during the audit period but had no initial electrical connection date populated. Potential impact: Low Actual impact: Low Audit history: Twice previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as they will eliminate risk to an acceptable level. The audit impact is assessed to be low due to the number of ICPs with no initial electrical connection date recorded.		
Actions taken to resolve the issue		Completion date	Remedial action status
[Field staff not returning NCA paperwork timely has still been an issue, we have a very manual system reliant of field staff to complete a paperwork task, which additionally has no reporting data back to the office staff		Now in place	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have as a quick improvement introduced a NCA working Team with a working list of all issued work to field staff of NCA paperwork, which is updated, reviewed daily and followed up on to confirm completed and outstanding work.		Now in place	

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 registry list for 31 August 2022, and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. There were 402 ICPs new ICPs created and electrically connected.

401 ICPs were created as soon as practicable and prior to electrical connection. The registry was populated later than the first active date for one ICP. The ICP was investigated, and it was determined that this was the result of a data entry error.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 01-Jul-21 To: 31-Aug-22	Late update to the registry for one ICP electrically connected during the audit period. Potential impact: Low Actual impact: Low Audit history: Multiple times previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as they will eliminate risk to an acceptable level. The audit risk rating is low as this only affected one new connection.		
Actions taken to resolve the issue		Completion date	Remedial action status
Due to the manual ness of our systems human error can still occur, we are reviewing our processes and current registry reporting to ultimately fully remove this one off type occurrences.		Underway currently	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Timeliness of reporting is a factor we are considering in the short term to really try and find these errors, due to the lack of consistency with one off error we know the current process is working even though it is manual.		Under review currently	

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 for populating initial electrical connection dates was examined.

The combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to determine the timeliness of the provision of the initial electrical connection dates for the 402 completed new connections, 316 ICPs were electrically connected. 12 ICPs were identified where the IECD was populated late.

A typical sample of 10 late updates were checked to determine why they were delayed.

Audit commentary

All network and meter connections are now completed on the same day by the same contractor.

Alpine Energy updates the initial electrical connection date to match the date work was completed, as detailed on the returned job. As part of this process any information which has changed from the initial application (e.g., clarification of address or pricing information) is updated.

The sample of ten were checked and found:

- three were the result of late paperwork provided by the contractor,
- one was a data entry error,
- one was correcting the POC, it was not an update to the IECD,
- three ICPs were corrections to the ICED date,
- two were replacement files sent to the registry, but it is unclear why these were sent, it was not an update to the IECD date.

The AC020 report is now used to monitor these errors weekly.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 01-Jul-21 To: 31-Aug-22	12 late initial electrical connection date updates. 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	The controls are recorded as strong, there has been an improvement with the use of the audit compliance reporting. The impact on participants is minor because this field is used to validate other fields against.		
Audit Comments for reference		Completion date	Remedial action status
we still struggle with a manual paperwork system to the field and with the returned paperwork, we have added more registry reporting since our last audit and now a NCA paperwork report, receiving returned paperwork on the day of metering and livening will result in more accurate paperwork		Underway	Identified
Preventative actions that were planned		Completion date	
We have identified and addressed a common person responsible for more than their share of late or inaccurate dated paperwork and we have and are working with them, and all our field service staff to assist them with easier ways of completing and returning paperwork quickly after livening to assist with data accuracy. This with our NCA paperwork improvements, review and updates will reduce the few late and incorrect information.		Underway	

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The new connection process was examined in **sections 3.1** and **3.2**.

The registry list for 31 August 2022, and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to determine compliance.

Audit commentary

The new connection process requires applications to be approved by traders. Notification is sent to the proposed trader, the customer and electrician when the ICP has been approved and created. The trader is expected to notify Alpine if they reject the ICP, and the customer is notified.

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

This clause requires that a distributor must not connect an ICP across which unmetered load is shared unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load. Alpine does not allow or intend to allow any new shared unmetered load connections. Review of a registry list confirmed there is no shared unmetered load recorded against any Alpine ICP.

All ICPs at “ready” have a proposed trader populated in the registry.

Review of the registry list confirmed that no new shared unmetered load was created during the period.

Review of the combined audit compliance reports confirmed that all ICPs were made “ready” after the trader had accepted responsibility.

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 registry list for 31 August 2022, and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to determine compliance.

Audit commentary

ICPs will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP. Trader acceptance is confirmed during the application process.

A sample of twenty new connections were checked, and trader responsibility was consistently accepted prior to electrical connection.

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 was examined in **sections 3.1** and **3.2**.

The registry list for 31 August 2022, and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to determine compliance.

Audit commentary

All network and meter connections are completed on the same day by the same contractor.

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

Audit outcome

Compliant

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

Code reference

Clause 10.30

Code related audit information

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

The distributor that initiates the connection under Part 11 and connects the NSP must, within 5 business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:

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

Audit observation

The NSP table was reviewed.

Audit commentary

No new NSPs were created by Alpine Energy 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 created by Alpine Energy during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

xxxxxxxxxxxccc where:

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

Audit observation

The process for the creation of ICPs was examined and observed.

Audit commentary

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

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

The process of allocation of the loss category was examined. The list file as of 31 August 2022 was examined to confirm all active ICPs have a single loss category code.

Audit commentary

The loss category code is known and assigned at the time of the ICP creation. Each active ICP only has a single loss category, which clearly identifies the relevant loss factor. Loss factors are linked to the load group and the GXP, and this is independently checked as part of the new connections process.

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

The ICP creation process was reviewed. The registry list for 31 August 2022, and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to determine compliance.

Audit commentary

ICPs on Alpine Energy’s network normally do not require construction and are created when they are ready for activation. ICPs are created at “new” and move to “ready” status when the trader accepts the ICP.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

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

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

Audit observation

The management of ICPs at the “new” and “ready” status was examined. The combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

Audit commentary

Alpine monitors any ICPs at “new” or “ready” for longer than 12 months to confirm whether they are still required. The audit compliance report found eight ICPs that have been at “ready” for longer than 24 months; these were examined, and it was confirmed that they are all still required.

Because applications are received from the customer or their agent, rather than the trader, Alpine Energy will follow-up with the customer and/or the electrician as well as the trader. The AC020 report is used to monitor these ICP’s.

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

Audit observation

The registry list as of 31 August 2022 was reviewed to identify any generation stations with capacity of 10 MW or more and determine compliance.

Audit commentary

There are no embedded generators with a capacity greater than 10MW that require specific loss category codes.

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

Processes were examined for the connection of ICPs and NSPs.

Audit commentary

Alpine Energy will only connect a point of connection if requested by the trader responsible in the registry. Alpine Energy require a service request providing authorisation to electrically connect an ICP.

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.

Audit commentary

Alpine understand their responsibilities in relation to this clause. They only conduct electrical disconnection for safety, and they only conduct disconnection where ICPs are to be decommissioned.

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 one business day and include the date of bridging in its advice.

Audit observation

The Alpine Energy process for bridging meters was examined.

Audit commentary

Alpine Energy may receive a call from a customer after hours, to investigate ‘no power’. Alpine Energy will attend the site and may bridge the meter if required. Alpine Energy informs the trader that the meter has been bridged and requests a Service Request to unbridge the meter. Alpine monitor these ICP’s to ensure the meter is unbridged.

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.

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

Audit observation

The management of registry updates was reviewed.

The registry list for 31 August 2022, and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined. A diverse sample of a minimum of backdated events by event type were reviewed to determine the reasons for the late updates.

Audit commentary

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

Update	Date range	Late	% Compliance	Average Days
Address	1/9/19 to 30/9/20	1	99.97	0.15
	1/10/20 to 31/12/20	1	99.45	1.72
	01/01/21 to 30/06/21	4	98.96	10.74
	01/07/21 to 31/08/22	49	92.59	98.77
Price Code	1/9/19 to 30/9/20	239	90.71	N/A
	1/10/20 to 31/12/20	71	89	N/A
	01/01/21 to 30/06/21	384	83	N/A
	01/07/21 to 31/08/22	672	94.22	N/A
Status	1/9/19 to 30/9/20	10	80	4.28
	1/10/20 to 31/12/20	6	68.42	1.74
	01/01/21 to 30/06/21	6	85	15.20
	01/07/21 to 31/08/22	4	89.46	1.66

Update	Date range	Late	% Compliance	Average Days
Network (excl. new connection & Distributed Generation)	1/9/19 to 30/9/20	15	N/A	N/A
	1/10/20 to 31/12/20	14	N/A	N/A
	01/01/21 to 30/06/21	7	N/A	N/A
	01/07/21 to 31/08/22	39	N/A	N/A
Distributed Generation	1/9/19 to 30/9/20	19	75.47	2.94
	1/10/20 to 31/12/20	6	64.71	27.76
	01/01/21 to 30/06/21	3	90.91	8.58
	01/07/21 to 31/08/22	11	80.65	38.97
NSP Changes	1/9/19 to 30/9/20		100	NA
	1/10/20 to 31/12/20		100	NA
	01/01/21 to 30/06/21		100	NA
	01/07/21 to 31/08/22	5	NA	NA

Address updates

The audit compliance reporting found 49 late address updates. A typical sample of ten of these events were examined and found:

- three were late due to staff away on leave, and
- seven were updates to the street name from either a council update or a spelling correction.

Pricing events

The audit compliance reporting found 672 late pricing updates. A typical sample of 20 of these events were examined and found:

- one was due to a data entry error,
- two were corrections to the load group ,
- two updates were TOU pricing changes that were applied late,
- three updates were the result of late paperwork from the contractor detailing a meter change that affected the price category, and
- 12 pricing updates were triggered by a network event, the updates were not required as there was no pricing change.

Status events

The decommission process is described in **section 4.11**.

The audit compliance reporting found four late status updates. All four of these were examined and found:

- three were the result of late paperwork from the contractor, and
- one was delayed due to working from home during Covid.

Alpine monitor the LIS report for ICPs at status “ready for decommissioning” and will action these ICP’s immediately, and they are also monitoring the decommission jobs and to ensure they actively managed.

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

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

The network event compliance report was examined and recorded 39 late network updates.

26 ICPs were analysed and found that:

16 late network events to update the Dedicated NSP flag were:

- 15 were the result of late paperwork being returned by the contractor, and
- one was an update to the dedicated NSP flag.

10 late network events to update the Unmetered Load were:

- two are corrections after the Solar inspection was completed and returned, and
- eight were updates to the DUML load following the last audit.

Distributed Generation events

The distributed generation process is described in **section 4.6**. The audit compliance report found 11 late distributed generation updates. A sample of five ICPs were checked, and it was identified that:

- three were due to late paperwork from the from the contractor,
- one was the result of the paperwork not being returned, and
- one was the result of the Solar being moved to a different ICP on the same property.

NSP changes

The audit compliance reporting indicated five late NSP updates. These were all checked and found that all were updated as a result a replacement file being sent to the registry, it is unknown why these were triggered. There was no update the NSP.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Jul-21 To: 31-Aug-22	672 late pricing updates. 49 late address updates. Four late status updates. 39 late network updates. 11 late distributed generation updates. Potential impact: Medium Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate because are sufficient to ensure that the registry is updated within three business days most of the time. The audit risk rating is assessed to be low as the volume of late updates is relatively low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Through the staff changers within teams the continual work stream had not been passed on to new staff resulting in updates not being entered timely or correctly, these staff members have since created a documented process as well as a resilience structure to ensure this is covered when staff are away		Completed	Identified
Preventative actions taken to ensure no further issues will occur		Preventative actions taken to ensure no further issues will occur	
Through the staff changers within teams the continual work stream had not been passed on to new staff resulting in updates not being entered timely or correctly, these staff members have since created a documented process as well as a resilience structure to ensure this is covered when staff are away		Completed	

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

Code reference

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

Code related audit information

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

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

Audit observation

The process to determine the correct NSP was examined. The combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to determine compliance.

Audit commentary

The controls in place to ensure new ICPs have the correct NSP are robust, all new connections are mapped on the GIS system ensuring that the correct transformer and therefore the correct NSP is assigned.

The audit compliance reporting identified five ICPs with potentially the incorrect NSP assigned. These were examined and confirmed they were all correctly mapped.

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

Alpine Energy occasionally receives direct requests for ICP identifiers. ICP identifiers can be provided immediately on request once the address has been confirmed.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to determine correct and unique addresses was examined. The registry list as of 31 August 2022 and the registry compliance audit report covering the period from 1 July 2021 to 31 August 2022 were examined to determine compliance.

Audit commentary

The address is captured at the time of ICP creation. GPS coordinates are recorded for all but one ICP. The ICP has sufficient address details to confirm the location.

The audit compliance reporting did not identify any 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

This was examined as part of the new connection process.

Audit commentary

For new connections, this clause is well understood, and Alpine Energy Network's policy requires each ICP to have its own service fuse. If a historic pre 2002 connection that cannot be isolated is found, the ICPs will be separated.

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 registry information was reviewed.

The registry list for 31 August 2022, and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined to determine compliance. A sample using the typical characteristics methodology of data discrepancies or all if there were less than ten ICPs were checked.

Audit commentary

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

NSP information

Assignment of dedicated NSP status was checked.

As reported in the last audit report. The active ICPs within balancing area CENTRALALPEG mostly have dedicated NSP set to N. The number of ICPs set to dedicated "N" has reduced during the audit period.

The ICPs have been updated to dedicated "Y" for TKA0331 and TWZ0331.

NSP	2021 Dedicated NSP = N	2022 Dedicated NSP = N	2021 Dedicated NSP = Y	2022 Dedicated NSP = Y
ABY0111	1793	1612	36	72
BPD1101	665	603	18	30
STU0111	3646	3222	36	92
TIM0111	19577	17772	279	470
TMK0331	7352	6604	249	333
TKA0331	49		1030	1042
TWZ0331	45		1735	1716

Assignment of NSPs was reviewed in **section 4.2**.

Initial Electrical Connection Dates

There were four ICPs with no initial electrical connection dates recorded. These were checked and it was found that one ICP had the IECD date recorded but it was not sent to the registry and three were due to late provision of paperwork. All four ICPs were updated on the registry during the audit.

This is recorded as non-compliance below and in **sections 2.1** and **3.3**.

The audit compliance reporting identified eight ICPs with date inconsistencies between the initial electrical connection date, the active date and the meter certification date. Two ICPs were investigated, one was a temporary to permanent connection and the date recorded was the permanent supply. ICP 0009807377AL148 was checked with the Trader and it was confirmed there was consumption prior to the Initial Electrically Connected Date, and Metering Installation certification date recorded.

ICP	Earliest meter certification date	Initial Electrically Connection Date	Earliest retailer active date
0009807377AL148	23/06/2022	23/06/2022	07/03/2022

As found in the last four audits, there are 26,266 active ICPs all electrically connected before the code requirement came into effect on 29/08/13 that have an initial electrical connection date populated of 04/10/02. Removing the initial electrical connection date for these ICPs was discussed. There is a reluctance to run a bulk update in the system without understanding other impacts that may result, by

deleting the date in the initial electrical connection field in the ICP database. Therefore, Alpine cannot correct this until the database is replaced.

Distributed Generation

Applications for distributed generation are received; and approved or declined. The result is communicated to the customer and trader. Once installation is complete, it must be inspected and if compliant the inspector will connect it. The inspection date is applied as the event effective date for the addition of distributed generation details.

The audit compliance reporting identified two ICPs where the trader’s profile indicates distributed generation is present and the distributor has none. Both ICPs were investigated it was found that one ICP has been disconnected as the distributed generation was connected illegally, and one ICP was the result of late paperwork, this was updated on the registry during the audit. Alpine will follow-up with the trader to request updating the profile on the registry.

Examination of the list file found ICPs with generation capacity have continued to grow as detailed in the table below:

Year	ICPs with distributed generation
2019	397
2020	452
2021	496
2022	590

All have generation capacity and fuel type recorded correctly in the registry.

Unmetered load

Part 11 states the distributors must provide unmetered load type and capacity of the unmetered load to the registry “if known”. If distributor unmetered load is populated, it is required to be accurate.

122 active ICPs have a value in the Unmetered load details – Distributor field, the ICPs were checked and found that the unmetered load matched for all.

The last audit recommended that the recommended format be adopted, this has now been adopted.

Unmetered load recorded

Ten new unmetered load connections were made during the audit period. This was examined and confirmed that the UML calculation is correct and matches the trader information.

The New Connections team are now aware that they must inform the metering team when unmetered load is being added to an ICP, so that checks can be completed to ensure accuracy for the UML information recorded by Alpine and the trader.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1)(o)&(p) Schedule 11.1 From: 01-Jul-21 To: 31-Aug-22	Incorrect NSP dedicated/non-dedicated flag applied to some ICPs. Four electrically connected ICPs with no initial electrical connection date recorded. One ICP with the incorrect initial electrical connection date recorded. 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	Controls are rated as moderate as the ICP database issues are hindering Alpine's ability to comply. The audit risk rating is low, as the incorrect NSP dedication has a direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
The implementation of additional process steps will aim in the reduction of non-compliances going forward which has been implemented since our audit.		Started and on going	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As we have improved our BAU metering paperwork we will look to improve where we can with the systems we have through reporting and manual follow ups.		Started and on going	

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 new connection process was examined in detail. The audit compliance reporting and the registry list were reviewed to determine compliance.

Audit commentary

The price category and chargeable capacity (if any) are known at the time of the ICP being created therefore these are recorded correctly in the first instance.

All new ICPs created during the audit period had pricing information loaded prior to initial electrical connection.

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 August 2022 was reviewed to determine compliance.

GPS coordinates for a sample of 50 ICPs were mapped using to determine their accuracy relative to the physical address listed.

Audit commentary

GPS coordinates are optional, but if populated the registry requires New Zealand Transverse Mercator 2000 (NZTM2000) coordinates. GPS coordinates are recorded for all but one active ICP.

I plotted a sample of GPS coordinates for 50 ICPs including the maximum and minimum easting and northing coordinates. I found that the coordinates were in NZTM2000 format and were consistent with the other address information available.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

Processes to manage the “ready” status were reviewed.

The registry list for 31 August 2022 and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined.

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

Audit commentary

The status of “ready” is used once the ICP is ready for connection. The new connection process has a step to confirm the trader has taken responsibility. All 70 ICPs at “ready” status had a single price category assigned and proposed trader identified.

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 the distributor status were reviewed.

The registry list for 31 August 2022 and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were examined in relation to the use of the “distributor” status.

Audit commentary

Alpine Energy’s list file shows two ICPs that have an ICP status of “distributor” and both of these are for embedded networks.

Alpine Energy confirmed that there is no shared unmetered load on their network.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The registry list for 31 August 2022 and the combined registry compliance audit reports covering the period from 1 July 2021 to 31 August 2022 were reviewed to determine compliance.

A typical sample of 10 “decommissioned” ICPs were examined. I also examined the three ICPs at “ready for decommissioning” status.

Audit commentary

Decommissioning

Requests are expected to be made to Alpine Energy where decommissioning is required from the trader or electrician.

A network application is completed to decommission the ICP, and a Service Request must be received from the trader, this ensures isolation from the Network at the same time as the meter removal. The fieldwork is carried out and notification comes back to Alpine Energy on standard documentation.

Alpine Energy monitors ICPs that have been physically decommissioned to ensure the retailer changes the status to “ready for decommissioning” so that Alpine Energy can change the status to “decommissioned”. ICPs are not decommissioned unless an application is received.

Ten ICPs were examined, and it was identified that the incorrect decommissioning date was being recorded. The date the paperwork is received was used. Alpine will ensure that the correct decommissioning date is recorded in the future.

Ready for decommissioning

Three ICPs were identified as “ready for decommissioning” in the LIS file, these were updated during the audit to “decommissioned”. Alpine have a process to monitor the LIS report for ICPs at status “ready for decommissioning” and will update these to “decommissioned”.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: 20 Schedule 11.1 From: 01-Jul-21 To: 31-Aug-22	Ten ICPs with the incorrect decommissioning date recorded. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Additional process structure has been added to ensure field paperwork is returned accurately and timely.		Started and Under review	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The whole decommission process is under review encompassing people, process, paperwork, notifications and updates to ensure accurate data going forward.		Under review	

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 code table on the registry was examined.

Audit commentary

The price category code table on the registry was examined. Alpine Energy did not create any new price category codes 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 category code table on the registry was examined.

Audit commentary

Four new loss category codes have been created during the audit period. The required notice period was not provided.

Loss Code	Loss Factor Consumption	Start Date	Last Updated
A11SS1	1.004	1 April 2022	11 February 2022
A11SS2	1.012	1 April 2022	11 February 2022
AMP1	1.005	1 April 2022	11 February 2022
AMP4	1.01	1 April 2022	11 February 2022

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 5.1 With: Clause 21 Schedule 11.1 From: 01-Jul-21 To: 31-Aug-22	Required notice period not provided for four new loss category codes. Potential impact: Medium Actual impact: Medium Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Although late the update has now been completed, ownership of this process has now been reassigned to mitigate this in the future.		Now complete but with review periods	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
With the introduction of new team members into the commercial and regulatory department they have already made progress within the loss factor publishing, the next focus will be the ongoing reviews of these with timely updates.		Will be ongoing work	

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

The loss category code table on the registry was examined.

Audit commentary

The loss category code table on the registry was examined. Four loss category codes were updated during the audit period. The required notice period was not provided.

Loss Code	Loss Factor Consumption	Start Date	Last Updated
A11	1.019	1 April 2022	11 February 2022
A33	1.02	1 April 2022	11 February 2022
ALV	1.049	1 April 2022	11 February 2022
AOP	0.969	1 April 2022	11 February 2022

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 5.2 With: Clause 22 Schedule 11.1 From: 01-Jul-21 To: 31-Aug-22	Required notice period not provided for four updated loss category codes. Potential impact: Medium Actual impact: Medium Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Although late the update has now been completed, ownership of this process has now been reassigned to mitigate this in the future.		Now complete but with review periods	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
With the introduction of new team members into the commercial and regulatory department they have already made progress within the loss factor publishing, the next focus will be the ongoing reviews of these with timely updates.		Will be ongoing work	

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 two embedded networks, the embedded network owner must give written notice to the reconciliation manager of the creation or decommissioning.

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

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

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

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

Alpine Energy has not created or decommissioned any NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

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 reviewed.

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 1 month before the creation or transfer of:

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

Audit observation

The NSP table was reviewed.

Audit commentary

Alpine Energy 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 3 business days after the change takes effect.

Audit observation

The NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

If the distributor wishes to transfer an ICP, the distributor must give written notice to the Authority in the prescribed form, no later than 3 business days before the transfer takes effect.

Audit observation

The NSP table was reviewed.

Audit commentary

Alpine Energy has not initiated the transfer of any ICPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

Alpine Energy does not have responsibility for any NSP metering.

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 five 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 was examined.

Audit commentary

Alpine Energy does not have responsibility for any NSP metering.

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 was examined.

Audit commentary

Alpine Energy has not initiated any changes of network owner during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The NSP table was examined.

Audit commentary

Alpine Energy do not own any embedded networks therefore there have been no changes of MEP for embedded gate meters.

Audit outcome

Compliant

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

Alpine Energy has not initiated the transfer of any ICPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The NSP table was examined.

Audit commentary

Alpine Energy has not initiated the transfer of any ICPs during the audit period.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

Processes for the management of shared unmetered load were discussed. The registry list as of 31 August 2022 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

Alpine Energy has no existing shared unmetered load and does not intend to allow any new shared unmetered load connections.

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

Processes for the management of shared unmetered load were discussed. The registry list as of 31 August 2022 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

Alpine Energy has no existing shared unmetered load and does not intend to allow any new shared unmetered load connections.

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

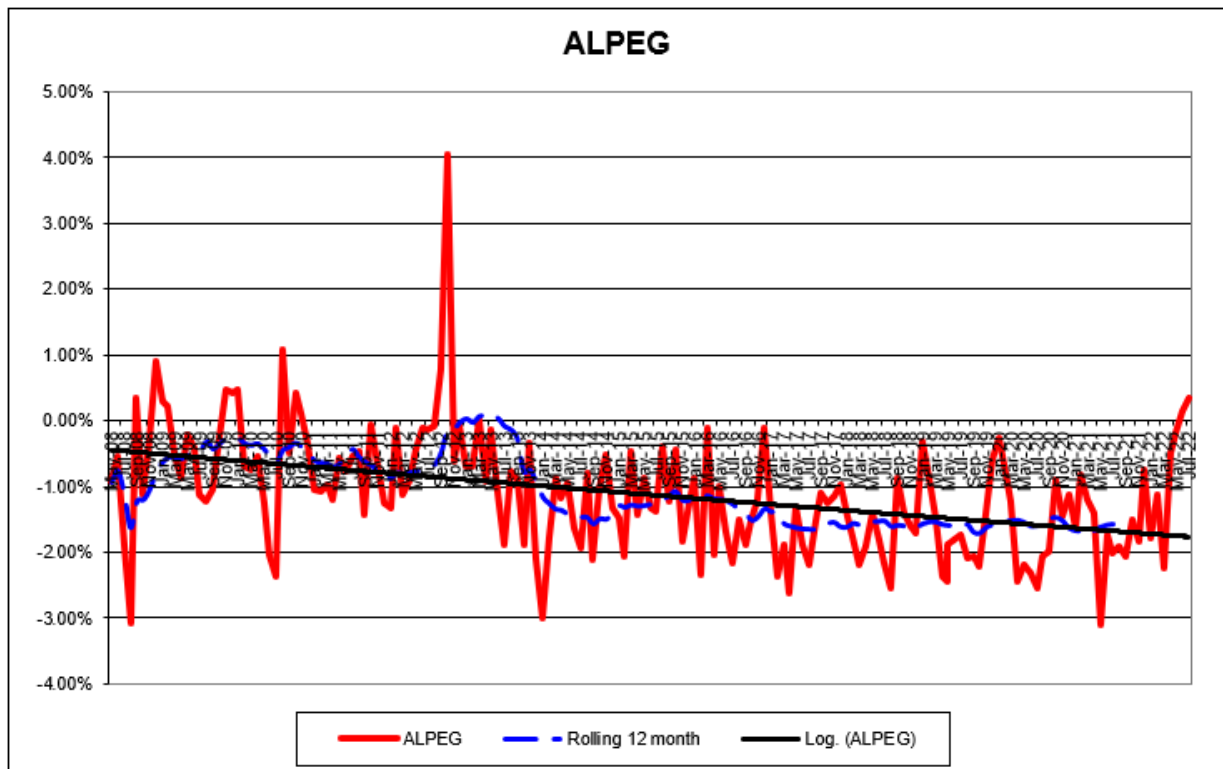
The “Guidelines on the calculation and the use of loss factors for reconciliation purposes” was published on 26 June 2018. Loss factor review processes are under consultation, and I checked the Network Technical Losses Calculation Methodology Consultation Paper (31 July 2019) against the guideline.

I reviewed the rolling UFE report provided by the Authority.

Audit commentary

Alpine Energy has eight different factors: AOP (generation), LV, HV (11kV) and HV (33 kV). Four loss factor values were updated in February 2022 with an effective start date of 1 April 2022. Four new loss factors were updated in February 2022 with an effective start date of 1 April 2022.

The UFE graph supplied by the Electricity Authority indicates that the combined loss factors are likely to be too high as they fall outside of the +/-1% threshold expected. It is likely that it will take time for the corrections to flow through and be reflected in the UFE graph for the updated and new loss factors.



They have continued to track towards -2%. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 8.1 With: Clause 11.2 From: 01-Jul-21 To: 31-Aug-22	Loss factors are not accurate in relation to reconciliation losses. Potential impact: Medium Actual impact: Medium Audit history: Multiple times previously Controls: Moderate Breach risk rating: 4		
Audit risk rating	Rationale for audit risk rating		
Medium	The controls are rated as moderate, the loss factors have been updated, and it will take time for the corrections to flow through and be reflected in the UFE graph for the updated and new loss factors. UFE is allocated to participants; therefore, there is no adverse impact on settlement; however, traders may use published losses in pricing decisions, therefore the use of inaccurate loss factors could lead to incorrect pricing, which is considered to have a medium impact.		
Actions taken to resolve the issue		Completion date	Remedial action status
Loss factors had been identified in previous audits as requiring an update which we had completed a full detailed review of. This is now being worked on as an ongoing review and monitoring process being worked on by the planning engineers, from the information provided our commercial team is also investigating our UFE figures.		On-going annual internal reviews to be completed	Identified
Preventative actions that were planned		Completion date	
Updating our loss figures was our first challenge then getting them published and shared was our second. We had thought this was done in the required timeframes, we are now working on the review ready for FY23.		Underway	

CONCLUSION

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

As noted in the last audit, Alpine is still working on the project to automate their customer interface workflow which will feed information into the ICP database. This will assist in improving the return of paperwork from the field. A material change audit is planned before the customer interface workflow goes live to ensure that Alpine can meet its code requirements.

Alpine has continued to show improvement of their compliance during the audit period. They are reviewing the registry compliance reports on a regular basis. Alpine monitor the work with contractors in the field to ensure they meet their obligations; this is done daily; this will continue to improve the timeliness for updating the registry.

As detailed in the last audit, Alpine Energy advised that the new categories and loss factors would be updated for the next financial year, this was completed but the required notification period was not provided. Examination of UFE indicates that the current loss factors are too high with negative losses continuing to increase. It is likely that it will take time for the corrections to flow through and be reflected in the UFE graph for the updated and new loss factors.

The audit found 10 non-compliances, make no recommendations. The audit risk rating is 19, and the next audit frequency table indicates that the next audit be due in 12 months. I have considered this in conjunction with Alpine Network's responses and I recommend that the next audit is in 12 months.

PARTICIPANT RESPONSE

Our audit highlighted the improvements made in the last two years by the metering team members on the ICP BAU. The ICP creation, database entry, issuing of paperwork to the field staff process is still quite manual and heavily reliant on personal to keep track the workflow of the new ICP's through to liveness and database updates. The improvements that have been put in place were areas highlighted in our previous audit results. We have already made some additional improvement changes by adding in a report step of outstanding paperwork from the field since this audit.

The registry reporting knowledge by the team has really improved our BAU paperwork, and the loss factors are our next large target area with the non-compliance raised in this audit.

The overall result excluding loss factors is where we had been aiming for. The now compliant areas of seal breaks and Utilities Dispute information from our last audit was good to see after the work put in by different teams throughout this year.

With covid and the working from home challenges put to the team this past year we are pleased with where we are at and look forward to improving our results going forward.