

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

Top Energy Limited

Prepared by: Allan Borcoski

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EXECUTIVE SUMMARY

This audit was performed at the request of Top Energy (TOPE), as required by clause 11.10 of Schedule 11, to assure compliance with the Electricity Industry Participation Code 2010. The relevant rules audited are as required by the Guidelines for Distributor Audits, version 7.0, issued by the Electricity Authority.

Records indicate that 457 new ICPs were connected on the Top Energy Ltd network during the audit period. There has been steady improvement in outcomes observed during this audit with five non – compliances this audit compared to eight at last audit. Corrective action plans from the previous audit appear to have been successful in a number of areas. Compliance processes have been reviewed and enhanced as necessary. For example ICPs with NEW and READY status for more than 24 months have dropped significantly and hard to locate addresses have been amended. Retailer acceptance of ICPs and request for initial electrical connection processes have also been remedied. Exception reporting has been enhanced and remedial response by Top Energy staff is prompt. The audit compliance report also appears to be proving useful.

The main issue noted during this audit was late field work completion information which affected a number of Registry information updates IECD and distributed generation in particular.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. Table 1 of the Guidelines for Distributor audit provides some guidance on this matter. The Future Risk Rating score is 10 which results in an indicative audit frequency of 12 months. We recommend an audit frequency of 18 months based on the commitment to improvement and the effective outcomes of compliance plans demonstrated by TOP Energy during this audit.

We thank Top Energy Staff for their full and complete cooperation in this audit.

The audit period was 1 September 2019 to 31 August 2020

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	Clause 11.2(1) and 10.6(1)	Registry information missing for a relatively small number of ICPs.	Moderate	Low	2	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	Clause 7(2A) of Schedule 11.1	10 ICPs out of 457 Connected during the audit period had IECD populated in the registry later than 10 days.	Moderate	Low	2	Identified
Monitoring of “new” & “ready” statuses	3.14	Clause 15 Schedule 11.1	3 ICPs that have remained in the NEW status for more than 24 months.	Moderate	low	2	Identified
Changes to registry information	4.1	Clause 8 Schedule 11.1	A number of registry information updates were greater than 3 business days from the event date.	Moderate	low	2	Identified
Distributors to Provide ICP Information to the Registry manager	4.6	Clause 7(1) Schedule 11.1	The registry contains incorrect information for a number of ICPs with respect to IECD, solar installations and information not updated in Registry within 3 days.	Moderate	low	2	Identified
Future Risk Rating						10	

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

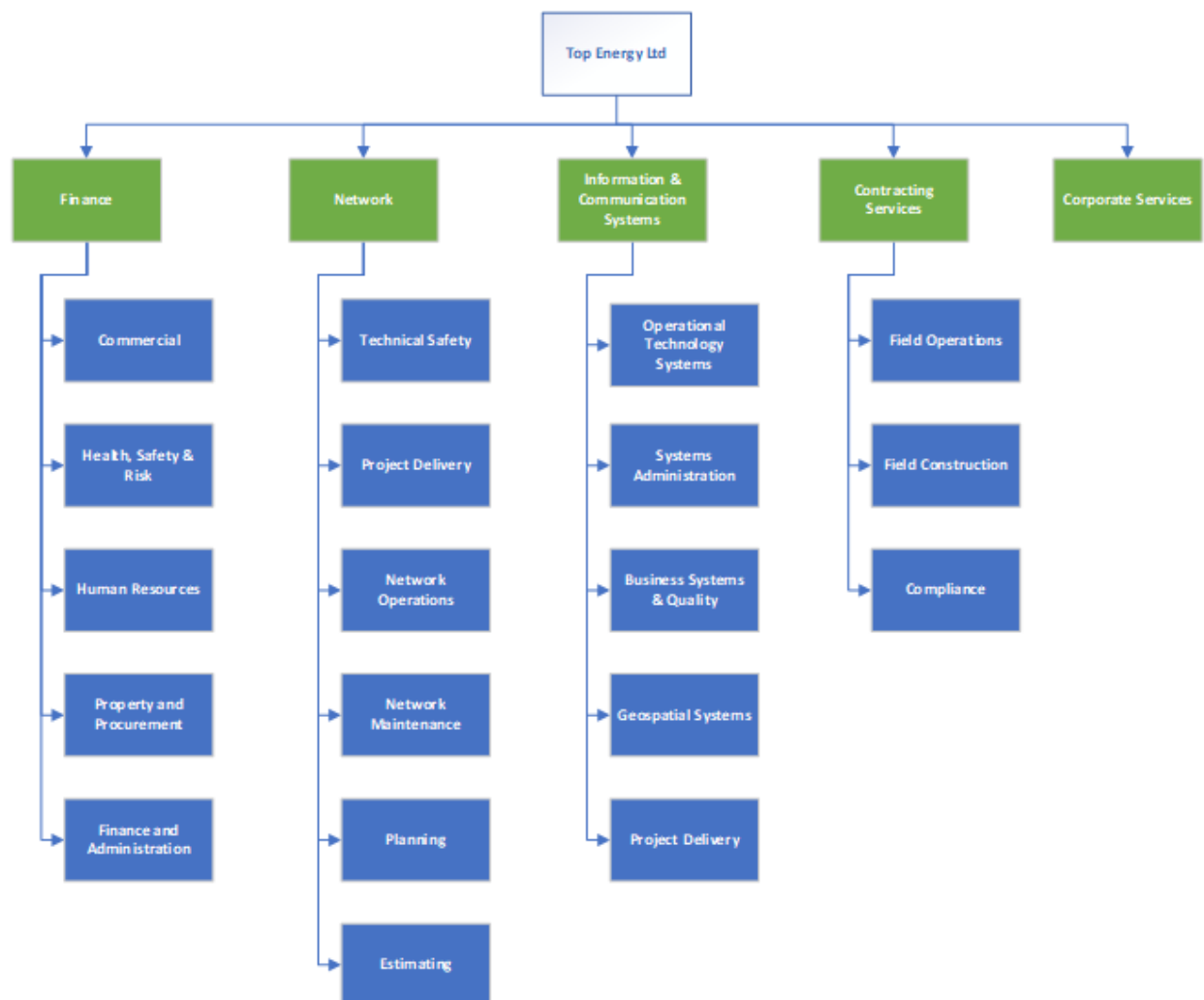
Audit observation

Discussed with Top Energy Staff.

Audit commentary

Top Energy advises there are no exemptions in place, relevant to the scope of this audit. The Electricity Authority website confirms this.

1.2. Structure of Organisation



1.3. Persons involved in this audit

Name	Title	Company	Comment
Paul Doherty	General Manager Finance	Top Energy Ltd	
Simon Bocock	Commercial and Pricing Manager	Top Energy Ltd	Contact Person
Sandra Dearnley	GIS Technician	Top Energy Ltd	
Rachel Cornwell	Metering Services Co-ordinator	Top Energy Ltd	
Ester Delamain	Business Analyst	Top Energy Ltd	
Helen Rush	Administrator	Top Energy Ltd	

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

- *remains responsible for the contractors fulfillment 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

Top Energy does not use agents for the functions covered by this audit.

Audit commentary

All functions covered in this audit are performed in-house by Top Energy Staff.

1.5. Supplier list

The suppliers who support the Top Energy operations audited:

1. Club ICP is supported by Hexagon
2. DigSILENT is provided by PowerFactory

1.6. Hardware and Software

Oracle Server is used to run the ICP database and retrieve reports from the registry.

- Club ICP is used by Top Energy Ltd for managing the ICP database and connections to the registry.

- DigSILENT PowerFactory – is used by Top Energy Ltd as a network management tool for modelling electricity load flows, analysis and recording specifications for equipment used to transfer electricity.

1.7. Breaches or Breach Allegations

Top Energy States no breaches or alleged breaches were recorded in the period covered by this audit. A check of the electricity Authority confirms this.

1.8. ICP and NSP Data

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
TOPE	KOE1101	Kaikohe			KOE1101TOPEG	G	01/04/2012	33,956

Status	Number of ICPs (21/09/20)	Number of ICPs (2019)	Number of ICPs (2018)
New (999,0)	9	22	22
Ready (0,0)	126	204	182
Active (2,0)	32,814	32499	32,075
Distributor (888,0)	1	1	1
Inactive – new connection in progress (1,12)	24	27	25
Inactive – electrically disconnected vacant property (1,4)	976	938	952
Inactive – electrically disconnected remotely by AMI meter (1,7)	97	118	79
Inactive – electrically disconnected at pole fuse (1,8)	18	23	15
Inactive – electrically disconnected due to meter disconnected (1,9)	17	10	7
Inactive – electrically disconnected at meter box fuse (1,10)	10	8	7
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	0	2	93
Inactive – reconciled elsewhere (1,5)	0	0	0
Decommissioned (3)	4568	4441	4283

1.9. Authorisation Received

Top Energy provided a letter of authorisation to the auditors permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

This audit was performed at the request of Top Energy, as required by clause 11.10 of Part 11, to assure compliance with the Electricity Industry Participation Code 2010.

This audit covers the following processes under clause 11.10(4) of Part 11 performed by Top Energy Ltd:

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

The audit was carried out via on-line meetings on the 23, 25 and 28 September 2020.

1.11. Summary of previous audit

Subject	Section	Clause	Non-Compliance	Comment
Requirement to provide complete and accurate information	2.1	<i>Clause 11.2(1) and 10.6(1)</i>	Registry information missing for a small number of distributed generation and unmetered load ICPs.	Still exists
Timeliness of Provision of Initial Electrical Connection Date	3.5	<i>Clause 7(2A) of Schedule 11.1</i>	11 ICPs out of 332 created during the audit period had Initial Electrical Connection Dates populated in the registry later than 10 days.	Still exists
Monitoring of “new” & “READY” statuses	3.14	<i>Clause 15 Schedule 11.1</i>	65 ICPs that have remained in the READY status for more than 24 months.	Still exists
Changes to registry information	4.1	<i>Clause 8 Schedule 11.1</i>	A number of registry information updates were greater than 3 business days from the event date.	Still exists

ICP location address	4.4	<i>Clause 2 Schedule 11.1</i>	81 ICPs identified where address and or GPS information do not meet the code requirements.	Cleared
Distributors to Provide ICP Information to the Registry manager	4.6	<i>Clause 7(1) Schedule 11.1</i>	The registry contains incorrect information for a number of ICPs with respect to Initial Electrical Connection Date, solar installations and unmetered load.	Still exists
Management of "ready" status	4.9	<i>Clause 14 Schedule 11.1</i>	Retailer/trader acceptance of responsibility for ICPs is not received by Top Energy Ltd prior to assigning the READY status in the registry.	Cleared
Maintenance of price category codes	4.12	<i>Clause 23 Schedule 11.1</i>	New price category codes were entered into the registry tables less than the 2 months required by the code	Cleared

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

The Audit Compliance Reports for the audit period, the LIS, PR255 and EDA files 09 September 2020 were checked. It was discussed with Top Energy Staff what processes and all practicable steps were in place to ensure correct information in their systems and provided to the registry.

Audit commentary

It was noted that the Audit Summary report was being used to monitor compliance during the audit period along with a suite of exception and monitoring reports. Processes have been reviewed and enhanced during the audit period. A relatively small number of information discrepancies were identified.

Section	Registry Discrepancy
3.5	IECD Input to Registry later than 10 business days <ul style="list-style-type: none">12 x ICPs
3.14	ICPs in the Registry with a NEW status for more than 24 months <ul style="list-style-type: none">3 X ICPs
4.1	Registry information not updated within 3 business days <ul style="list-style-type: none">Address 3.3%Network 0.8%Pricing 9.3%
4.6	No IECD in Registry But Active <ul style="list-style-type: none">10 x ICPs Distributed Generation Incorrect Installation Type <ul style="list-style-type: none">6 x ICPs Distributed Generation no Capacity in registry <ul style="list-style-type: none">6 x ICPs Distributed Generation no Fuel Type in registry <ul style="list-style-type: none">6 x ICPs

Audit outcome

Non-compliant

NON-COMPLIANCE

Non-compliance	Description		
Audit Ref: 2.1 With: <i>Clause 11.2(1) and 10.6(1)</i> From: 01-Sep-19 To: 31-Aug-20	Registry information missing for a relatively small number of distributed generation ICPs and IECD. Updates to registry late for IECD, pricing, address and network information Potential impact: Low Actual impact: Low Audit history: Three or more times previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate. Exception reporting and process has been enhanced since the last audit. It could be expected that this should improve in future. The audit Risk Rating is assigned as low due to minimal impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status
We will continue to work on ensuring the registry information is accurate. Initially this will include correcting ICPs identified with missing data in this report and a review of why they occurred.		Ongoing December 2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<ul style="list-style-type: none">- Review of distribution generation processes to improve compliance- Continue monitoring the Audit compliance reports- Inclusion of requirements in specification of new IT system for ICP Management- Ongoing continual improvement of processes and investment of training of new staff		March 2021 Ongoing June 2021 Ongoing	

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports for the audit period, the LIS and EDA files 09 September 2020 were checked. It was discussed with Top Energy Staff what processes were in place to identify incorrect information in their systems and the registry, and the process to correct that data as soon as practicable.

Audit commentary

Top Energy Staff run the Audit Summary report monthly to monitor compliance along with a meeting to address the report findings. Registry data transfer files are monitored daily looking for discrepancies and where they are found correcting that information. Exception reports are run weekly to check registry information against Club ICP data, for example ICP status differences, incorrect price category codes, ICPs connected but not have an active status in the registry. A fortnightly exception report run identifies ICPs with active status in the registry but no initial electrical connection date.

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 Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked.

Audit commentary

A request for a new connection is made by the customer or his/her representative using the Customer Initiated Work Application Form. A customer provides details about a new installation, single or three phase, capacity (commercial), is builders temp required, name of retailer/trader. Once an application is received it is assessed to confirm it meets the network requirements and once approved passed on to an estimator to evaluate and create a quote. The customer's contribution is required to be paid before any work to facilitate a connection begins and the ICP created in CLUB ICP.

A recommendation from the last audit has been taken up and a number of Retailers have agreed to a blanket ICP acceptance (this also includes request to connect the ICP when required). Those that do not have a blanket acceptance in place accept ICPs on a discrete email basis.

Once the customer contribution has been paid, for those retailers with a blanket acceptance the ICP is sent to the customer and retailer and set up in the registry in the READY status. For those retailers with no blanket agreement in place an email requesting acceptance will be sent to the retailer. Once the Retailer accepts the ICP by return email the, ICP will be sent to the customer and set up in the Registry with status of READY.

370 ICPS were uploaded to the Registry during the audit period.

A check of the new ICP connection sample showed the process to be compliant.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 were checked. The new connection process documents were reviewed and discussed with Top Energy Staff.

Audit commentary

Customers or their agents apply directly to Top Energy for a new ICP connection to the network. Participants do not apply for or request ICPs on the Top Energy network. Top Energy are aware of this code requirement.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked.

Audit commentary

Club ICP generates new ICPs based on information provided by a customer in the Customer Initiated Work Application form. Once all new ICP connection requirements are met Club ICP uploads a file to the registry in an overnight process to populate the ICP information.

The EDA report and the sample of new ICP connections for the audit period was checked. We confirm that all information required is uploaded. CLUB ICP has built-in validation to ensure mandatory fields are populated.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked.

Audit commentary

It was observed that ICP information was uploaded to the registry the same day the Retailer acceptance of a new ICP connection was received or soon after. ICPs were set to the READY status.

There were 9 ICPs in the Audit Compliance report that indicated that ICP information was uploaded to the Registry after the ICP Registry Status was made ACTIVE. These were checked in the Registry and it was found this was not the case and the original ICP upload dates were correct and met code requirement. It appears this issue may relate to the changeover from temporary to permanent supply.

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked.

Audit commentary

ICPs Connected During Audit Period	IECD Input to Registry later than 10 business days	Comment
457	<ul style="list-style-type: none">10 (2.2%) during audit period2 data corrections	<ul style="list-style-type: none">Range 12 - 38 daysRange 393 – 620 days

There was a similar level of compliance as found in the last audit. Late information from the field is still a key reason for late updates along with the consequence of data correction.

Audit outcome

Non-compliant

NON-COMPLIANCE

Non-compliance	Description		
<p>Audit Ref: 3.5 With: <i>Clause 7(2A) of Schedule 11.1</i></p> <p>From: 01-Sep-19 To: 31-Aug-20</p>	<p>10 ICPs out of 457 connected during the audit period had Initial Electrical Connection dates populated in the registry later than 10 days.</p> <p>Potential impact: Low Actual impact: Low Audit history: Three or more times previously Controls: Moderate Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are recorded as moderate. Exception reporting and process has been enhanced since the last audit. It could be expected that this should improve in future.</p> <p>The audit Risk Rating is assigned as low due to minimal impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Periodic reviews of the EA Audit compliance reports were implemented in conjunction with training of staff as per last year's actions.</p> <p>This resulted in improved performance over the period with only one occurrence since 6 January 2020 and none in last 6 months of the audit period</p>		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

Continual monitoring through regular EA Audit report reviews and actions implemented to address any issues identified.	Ongoing	
In the long term investigating new ICP Management system which may enable automatic notification of potential compliances issues before the 10-business day timeline enabling them to be addressed before the deadline. This could involve investigation of automatic population of initial electrical connection date	September 2021	

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 Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

Once an application is received it is assessed to confirm it meets the network requirements and once approved passed on to an estimator to evaluate and create a quote. The customer's contribution is required to be paid before any work to facilitate a connection begins and the ICP created in CLUB ICP.

A recommendation from the last audit has been taken up and a number of Retailers have agreed to a blanket ICP acceptance (this also includes request to connect the ICP when required). Those that do not have a blanket acceptance in place accept ICPs on a discrete email basis. The process documents have also been updated.

Once the customer contribution has been paid, for those retailers with a blanket acceptance the ICP is sent to the customer and retailer and set up in the registry in the READY status. For those retailers with no blanket agreement in place an email requesting acceptance and request to live is sent to the retailer. Once the Retailer accepts the ICP by return email and recorded in CLUB ICP the ICP will be sent to the customer and set up in the Registry with the status of READY.

370 ICPS were uploaded to the Registry during the audit period.

A check of the new ICP connection sample showed the process to be compliant.

Top Energy does not allow shared unmetered load to be connected on its network.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

A recommendation from the last audit has been taken up and a number of Retailers have agreed to a blanket ICP acceptance (this also includes request to connect the ICP when required). Those that do not have a blanket acceptance in place accept ICPs on a discrete email basis. The process documents have also been updated.

Once the customer contribution has been paid, for those retailers with a blanket acceptance the ICP is sent to the customer and retailer and the ICP set up in the registry in the READY status. For those retailers with no blanket agreement in place an email requesting acceptance and request to live is sent to the retailer. Once the Retailer accepts the ICP by return email and recorded in CLUB ICP the ICP will be sent to the customer and set up in the Registry with the status of READY.

370 ICPS were uploaded to the Registry during the audit period.

A check of the new ICP connection sample showed the process to be compliant.

Top Energy does not allow shared unmetered load to be connected on its network.

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

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

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

Audit observation

The new connection process documents were reviewed and discussed with Top Energy Staff.

Audit commentary

Top Energy Staff state there have not been any requests to temporarily electrically connect any installation during this audit period.

Top Energy Staff are aware of the code requirements in this area.

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 reconciliation participant responsible for ensuring there is a metering installation for the point of connection.

The distributor 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 Registry NSP table was reviewed along with the LIS report 09 September 2020 and the clause was discussed with Top Energy Staff.

Audit commentary

Top Energy Ltd has not had any such connections during the audit period. Top Energy Staff are aware of the code requirements in this area.

Audit outcome

Compliant

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

Code reference

Clause 10.30(A)

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.*

Audit observation

The Registry NSP table was reviewed along with the LIS report 09 September 2020 and the clause was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff state there have not been any requests to temporarily electrically connect any NSP that is not a point of connection to the grid during this audit period.

Top Energy Staff. are aware of the code requirements in this area.

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:

xxxxxxxxxxccc 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 Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

ICP identifiers for Top Energy are produced by Club ICP using an algorithm based on a sequential network connection number combined with the unique distributor code TE and a checksum.

Club ICP uploads the ICP to the registry. The ICP is checked and validated during the upload process. It was confirmed that correctly formatted ICPs were uploaded to the Registry by reviewing the sample of new ICP connection ICPs.

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 LIS report and the Registry were checked for the audit period. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

All Network ICPs with the status of READY, ACTIVE, and INACTIVE have a single loss category code assigned. The loss category code is assigned to an ICP when it is first uploaded to the registry.

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 Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

Top Energy Staff state that the NEW status is not used by Top Energy. All ICPs are uploaded into the Registry as READY.

A check of the new ICP connection sample showed the process to be compliant.

There are however 3 ICPs (2015 created) with NEW status down from 18 in the last audit. These are historic and are being reviewed as part of the ongoing registry clean-up work.

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 Audit Compliance Summary Reports and LIS reports 09 September 2020 and the Registry were checked. This was also discussed with Top Energy Staff.

Audit commentary

	Network Event Date	ICP Status	Top Energy Comment
0000007640TE46B	02/06/2015	999	This is an unmetered payphone and we are looking into what caused this issue and how to fix this
0000007730TE832	06/08/2015	999	This is an unmetered street light and we are looking into what caused this issue and how to fix this
0000007731TE477	06/08/2015	999	This is an unmetered street light and we are looking into what caused this issue and how to fix this
0000009253TE6C7	05/09/2018	0	This has just hit the 24 month status report and our process is to look at it this month and work out if we need to refund and then either liven or decommission.

0000009251TE642	05/09/2018	0	This has just hit the 24 month status report and our process is to look at it this month and work out if we need to refund and then either liven or decommission.
0000009276TE6DD	14/09/2018	0	This has just hit the 24 month status report and our process is to look at it this month and work out if we need to refund and then either liven or decommission.

This is an improvement on the past audit as there were 65 ICPs in the READY status. This is expected to improve further with the implementation of new exception reporting and monitoring processes during the audit period, for example a new report run every 6 months identifies the NEW or has had the status of READY for 24 months or more for further action.

Audit outcome

Non-compliant

NON-COMPLIANCE

Non-compliance	Description		
Audit Ref: 3.14 With: <i>Clause 15</i> <i>Schedule 11.1</i> From: 01-Sep-19 To: 31-Aug-20	3 ICPs have remained in the new status for more than 24 months. Potential impact: Low Actual impact: Low Audit history: Three or more times previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate. Exception reporting and process has been enhanced since the last audit. It could be expected that this should improve in future. The audit Risk Rating is assigned as low due to minimal impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status

<p>A new process has been implemented to periodically contact retailers to request whether an ICP that has been on New or Ready status for more than 24 months should continue on that status or change to decommissioned under 15 (2) of Schedule 11.1 of The Code.</p> <p>This process resulted in Top Energy</p> <ul style="list-style-type: none"> a) asking the trader who intends to trade at the ICP whether the ICP should continue to have that status; and b) decommission the ICP if the trader advises that the ICP should not to continue to have that status. <p>All ICPs with Traders were sent to retailers. The 3 ICPs remain in new status for more than 24 months have no Trader and are being investigated</p>	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Follow new process	Ongoing	

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

The LIS report 09 September 2020 and the Registry were checked. This was also discussed with Top Energy Staff.

Audit commentary

Top Energy Ltd has one embedded generation station (Ngawha Geothermal Power Station) connected to its network.

Ngawha Geothermal Power Station ICP 0000003490TE5AE has the unique loss category code assigned (GEN1).

Audit outcome

Compliant

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

A recommendation from the last audit has been taken up and a number of Retailers have agreed to a blanket ICP acceptance (this also includes request to connect the ICP when required). Those that do not have a blanket acceptance in place accept ICPs on a discrete email basis. The process documents have also been updated.

Once the customer contribution has been paid, for those retailers with a blanket acceptance the ICP is sent to the customer and retailer and the ICP set up in the registry in the READY status. For those retailers with no blanket agreement in place an email requesting acceptance and request to live is sent to the retailer. Once the Retailer accepts the ICP by return email and recorded in CLUB ICP the ICP will be sent to the customer and set up in the Registry with the status of READY.

370 ICPS were uploaded to the Registry during the audit period.

A check of the new ICP connection sample showed the process to be compliant.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked.

Audit commentary

The table below outline the EDA file analysis for this clause for the audit period:

Activity	Total number of updates		No of updates later than 3BD		Date range of updates	
	2020	2019	2020	2019	2020	2019
Address	2724	2186	377 (13.8%)	546 (25%)	Up to 4308	Up to 4074
Network	2032	150	43 (2.1%)	30 (20%)	Up to 2042	Up to 1286
Pricing	22,012	4208	2523 (11.5%)	1052 (25%)	Up to 1017	Up to 783

Of the updates later than 3 business days the following table shows the proportions of Registry data updates for audit period data compared to historical data corrections:

	Updates Within the Audit Period Greater Than 3 days	Number of Historical Data Corrections
Address	90 (3.3%)	287 (10.5%)
Network	17 (0.8%)	26 (1.3%)
Pricing	2050 (9.3%)	473 (2.2%)

Of the 2050 pricing updates within the Audit Period greater than 3 days 678 (3.1%) Top Energy Staff advise that this group of ICPs was affected by a system failure whilst uploading price code changes effective 1 April 2020, that meant the input date to the Registry was up to 6 business days late. This was a one off event and Top Energy Staff took all practicable steps to correct this event at the time.

Retailers requesting backdates is still an issue, Top Energy discourages the practice however it is deemed more important to maintain accurate registry information. The diligence of correcting historic information discrepancies continues to have the unfortunate effect of generating some non-compliance. It was also noted the matter that came to light at the last audit where internally the 3-day update requirement was being met, but the registry update file was processed the next day (after 1930 on day 3) is still occurring. The registry records the change on the 4th day unfortunately making the changes non-compliant.

Top Energy have improved performance in this area significantly compared to last audit

Audit outcome

Non-compliant

NON-COMPLIANCE

Non-compliance	Description		
<p>Audit Ref: 4.1</p> <p>With: <i>Clause 8</i> <i>Schedule 11.1</i></p> <p>From: 01-Sep-19</p> <p>To: 31-Aug-20</p>	<p>Registry information not updated within 3 business days from the event date for a low percentage of transactions.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three or more times previously</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are recorded as moderate. Exception reporting and process has been enhanced since the last audit. It could be expected that this should improve in future.</p> <p>The audit Risk Rating is assigned as low due to minimal impact on settlement outcomes.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Our objective remains that of achieving an accurate Registry</p> <p>Changed our internal process to ensure updates meet the required timeframe e.g. business dates. This includes ensuring that updates are completed and uploaded onto the registry by day 3.</p>			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Our aim for compliance however where ensuring the registry is accurate causes non-compliance, we believe this is acceptable. We do however wish to minimise this as much as possible. To ensure this we will:</p> <ul style="list-style-type: none"> Review of EA Audit report to monitor compliance and ensure processes are working. Require internal signoff of changes greater than 3 business days 		<p>Ongoing</p> <p>Onoging</p>	

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

Code reference

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

Code related audit information

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

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry NSP mapping table were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

Top Energy Ltd has one NSP **KOE1101**. The NSP identifier is uploaded into the Registry when ICPs are initially loaded into the Registry as READY. CLUB ICP verifies the NSP prior to Registry upload.

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

This was discussed with Top Energy Staff.

Audit commentary

Top Energy Ltd have a robust well documented customer service process that is diligently followed. It was stated by Top Energy Staff queries are received typically by phone, email or service request such as the Contact Orb system. Phone requests are usually dealt with immediately

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

This was found non-compliant at the last audit.

Considerable remedial work has been completed during the audit period to correct issues identified in the last audit.

Audit outcome

Compliant

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

Code reference

Clause 3 Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports and LIS reports 09 September 2020 were checked. The new connection process documents were reviewed and the clause discussed with Top Energy Staff.

Audit commentary

The network connection application process is very robust and well documented. Network connection designs would not allow an ICP to be dependent on another ICP for it to be electrically disconnected.

Top Energy Staff state there are no known ICPs that could not be electrically disconnected without electrically disconnecting another ICP.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

- *the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)*
- *the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)*
- *the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)*
- *the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)*
- *the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)*
- *if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):*
 - a) *the unique loss category code assigned to the ICP*
 - b) *the ICP identifier of the ICP*
 - c) *the NSP identifier of the NSP to which the ICP is connected*
 - d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*
- *if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):*
 - a) *a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity*
 - b) *a blank chargeable capacity if the capacity value can be determined 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 Audit Compliance Summary Reports and LIS reports 09 September 2020 were checked. The clause discussed with Top Energy Staff and a random sample of 20 new ICP connection records were also checked

Audit commentary

The table below outlines the LIS files and Audit compliance reports analysis for this clause for this audit period:

	No IECD in Registry But Active (Active date)	Dist Generation Incorrect Installation Type	Dist Generation No Capacity in registry	Dist Generation No Fuel Type in registry
0000641540TE85A		L	0	Nil
0000561720TE8D4		L	0	Nil
0000170370TEC23		L	0	Nil
0000694590TEE69		L	0	Nil
0000005452TE704		L	0	Nil
0000006829TE261		L	0	Nil
0000466870TEFDF	12/06/2018			
0000006798TE399	25/11/2013			
0000006851TE528	17/09/2013			
0000006899TE0D3	17/09/2013			
0000006910TE2CC	17/09/2013			

0000006966TE61E	20/09/2013			
0000006964TE69B	24/09/2013			
0000006968TE585	18/09/2013			
0000006967TEA5B	03/09/2013			
0000006969TE9C0	04/09/2013			

This was an improved result from the last audit demonstrating that exception reporting and remedial work is effective. Distributed generation information still suffers from the industry wide issue of the installation details failing to be provided to the distributor. The IECD issue appears to be new ICP connections missed at immediate post Part 10 implementation.

Audit outcome

Non-compliant

NON-COMPLIANCE

Non-compliance	Description		
Audit Ref: 4.6 With: <i>Clause 7(1)</i> <i>Schedule 11.1</i> From: 01-Sep-19 To: 31-Aug-20	The registry contains incorrect information for a number of ICPs with respect to Initial Electrical Connection Date, solar installations and unmetered load. Potential impact: Low Actual impact: Low Audit history: Three or more times previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as moderate. Exception reporting and process has been enhanced since the last audit. It could be expected that this should improve in future. The audit Risk Rating is assigned as low due to due to a small number of ICPs and minimal impact on settlement outcomes.		
Actions taken to resolve the issue		Completion date	Remedial action status

This is very similar to the issues identified in 2.1 as it is the same information and as such are penalised twice.		Identified
Same as section 2.1		
Preventative actions taken to ensure no further issues will occur	Completion date	
Same as section 2.1		

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry NSP mapping table were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

The price category code is assigned in Club ICP when a new ICP is created. The code is assigned based on information collected in the network connection application. The daily upload file from Club ICP to the registry populates the registry with the price category code.

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 Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry NSP mapping table were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

Addresses including GPS co-ordinates are maintained in the GIS system which is linked to Club ICP. The GPS coordinates comply with the NZTM2000 standard.

Once the Retailer accepts the ICP, the ICP will be sent to the customer and set up in the Registry with status of READY, the GPS co-ordinates are uploaded to the Registry at this point.

370 ICPS were uploaded to the Registry during the audit period.

A check of the new ICP connection sample showed the address process to be compliant.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

This was found non-compliant at the last audit.

A recommendation from the last audit has been taken up and a number of Retailers have agreed to a blanket ICP acceptance (this also includes request to connect the ICP when required). Those that do not have a blanket acceptance in place accept ICPs on a discrete email basis.

Once the customer contribution has been paid, for those retailers with a blanket acceptance the ICP is sent to the customer and retailer and set up in the registry in the READY status. For those retailers with no blanket agreement in place an email requesting acceptance will be sent to the retailer. Once the Retailer accepts the ICP by return email the, ICP will be sent to the customer and set up in the Registry with status of READY.

370 ICPS were uploaded to the Registry during the audit period.

A check of the new ICP connection sample showed the process to be compliant.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

Top Energy Ltd has 1 distributor status ICP 0000005544TE522 (Kerikeri Retirement Village), a connection to an embedded network.

Top Energy Staff state Top Energy Ltd does not allow shared unmetered load on its 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 Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. The new connection process documents were reviewed and discussed with Top Energy Staff. A random sample of 20 new ICP connection records were also checked

Audit commentary

Top Energy Ltd decommissions an ICP on Retailer (or its service provider) instruction. Top Energy Staff carry out the decommission of the physical connection to the network and a Retailer is notified once complete. Top Energy may also be asked to check the installation, for example if a meter reader reports that that a building “was gone” or “no meters”. The Retailer is notified of the findings and Top Energy wait for further instructions from the Retailer. Top Energy may also receive a request from a contractor to dismantle a connection on a customer’s behalf. In this instance Top Energy will contact the Retailer to verify it is ok and to provide a service request. After physically dismantling a connection to the network a notification is sent to the Retailer. Once the Retailer changes the registry status to INACTIVE – READY FOR DECOMMISSIONING (monitored by reporting and active follow up), Top Energy will update the ICP status to DECOMMISSIONED on the registry.

There were only 2 x historical ICPs requiring remediating compared with 9 at last audit.

Audit outcome

Compliant

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

The Price Category table in the Registry was examined and this was discussed with Top Energy Staff.

Audit commentary

This was found non-compliant at the last audit.

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

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

The Loss Category table in the Registry was examined and this was discussed with Top Energy Staff.

Audit commentary

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

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

The Loss Category table in the Registry was examined and this was discussed with Top Energy Staff.

Audit commentary

Top Energy Loss Factor Codes have a single value for the full year. Top Energy did not change the value of any Loss Factor Codes during this audit period.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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 mapping table in the Registry was examined, the LIS report and this was discussed with Top Energy Staff.

Audit commentary

Top Energy has one NSP only. Top Energy Staff stated that d Top Energy did not create or decommission a new NSP during this audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between 2 local networks. In all other cases, the request must be made at least 1 month before the NSP is electrically connected or the ICP is transferred.

Audit observation

The NSP mapping table in the Registry was examined and this was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff stated that Top Energy did not ask the Reconciliation manager to create any unique NSP identifiers during the audit period.

Top Energy Staff advise they are aware of the code requirements.

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 mapping table in the Registry was examined and this was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff stated that Top Energy did not create an NSP or balancing area during the audit period.

Top Energy Staff advise they are aware of the code requirements.

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 mapping table in the Registry was examined and this was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff stated that Top Energy did not create an NSP during the audit period or transfer an ICP to a NSP .

Top Energy Staff advise they are aware of the code requirements.

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 mapping table in the Registry was examined and this was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff confirmed that there were no changes to the single balancing area KOE1101TOPEG 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 1 month before the transfer.

Audit observation

The NSP mapping table in the Registry was examined and this was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff confirmed that Top Energy during the audit period did not transfer an ICP which resulted in an ICP becoming an NSP at which an embedded network connected to a network or an ICP became an NSP that is an interconnection point.

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

This was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff stated that Top Energy Staff did not transfer any ICPs during the audit period. Top Energy Staff advise they are aware of the code requirements.

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

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

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

Audit observation

The NSP mapping table in the Registry was examined and this was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff confirmed Top Energy does not have any NSPs that are not connections to the grid for which they are responsible.

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:*
 - a) the reconciliation participant for the NSP (Clause 10.25(2)(b)(i)); and*
 - b) the MEP for the NSP (Clause 10.25(2)(b)(ii)); and*
 - c) no later than 20 business days after the data of certification of each metering installation, advise the reconciliation participant for the NSP of the certification expiry date (Clause 10.25(2)(c)).*

Audit observation

LIS and report 09 September 2020 and NSP mapping table in the Registry was checked. This was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff confirmed Top Energy does not have any NSPs that are not connections to the grid for which they are responsible.

Top Energy Staff advise they are aware of the code requirements.

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 1 month notification is required before the acquisition (Clause 29(2) of Schedule 11.1).

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

Audit observation

LIS and report 09 September 2020 and NSP mapping table in the Registry was checked. This was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff stated that Top Energy did not acquire all or part of any network during the audit period.

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. This was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff confirm that Top Energy does not own any embedded networks.

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. This was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff confirm that Top Energy does not own any embedded networks and did not create any during the audit period..

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. This was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff confirm that Top Energy does not own any embedded networks and did not create any during the audit period..

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. This was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff confirmed that Top Energy policy is not to allow shared unmetered load to be connected on its network.

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The Audit Compliance Summary Reports, LIS and EDA reports 09 September 2020 and the Registry were checked. This was discussed with Top Energy Staff.

Audit commentary

Top Energy Staff confirmed that Top Energy policy is not to allow shared unmetered load to be connected on its network.

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

This was discussed with Top Energy Staff and the Asset management Plans, Information Disclosure documents and Loss Factor information on the Top Energy website was reviewed.

Audit commentary

The Top Energy loss factor calculation methodology is based on the requirements as set out in the Electricity Authority's Guidelines on the Calculation and use of Loss Factors for Reconciliation Purposes. Data analysis uses half hour NSP metering data as a base and where this data is not available, appropriate data from the network SCADA is used. Technical losses are calculated using the DigSILENT Power factory software. TOP Energy have their loss factors and methodology reviewed by an external party on a regular basis.

Top Energy has three ICC (Individually Calculated Customer), JNL, AFFCO, and Ngawha Generation.

Top Energy Staff state that Top Energy calculate a monthly comparison between NSP metered kWh volume and billing kWh volumes (provided by Retailers). A review of this data for the past 12 months indicates no changes to Loss Factors are required at this time. Loss factors were last changed in 2018.

Audit outcome

Compliant

CONCLUSION

PARTICIPANT RESPONSE

Top Energy is pleased with the improvement in our overall ranking and that the number of discrepancies across the audit has significantly reduced. This improvement is expected to continue as new processes implemented over the last year are embedded and cover the complete audit period. We do continue to note that the audit does penalise Top Energy for the same data errors under two code requirements (2.1 and 4.6)

Top Energy acknowledge that we remain non-compliant in few areas, all of which provide no material reconciliation issues. To maintain accurate registry information, we will continue look for opportunities where we can improve compliance as outlined in the Audit including periodic review of the EA Audit compliance report.

Top Energy are currently evaluating new ICP Management systems to replace the existing Club ICP. This work will continue over the next year with the objective to select a suitable solution if it exists.

We thank Allan for his constructive and engaging approach to the Audit.

APPENDIX A - TEMPLATE FOR NON-COMPLIANCE, ISSUES AND RECOMMENDATIONS.

NON-COMPLIANCE

Non-compliance	Description	
Audit Ref: With: From: Click here to enter a date. To: Click here to enter a date.	Potential impact: Choose an item. Actual impact: Choose an item. Audit history: Controls: Choose an item. Breach risk rating:	
Audit risk rating	Rationale for audit risk rating	
Choose an item.		
Actions taken to resolve the issue	Completion date	Remedial action status
		Choose an item.
Preventative actions taken to ensure no further issues will occur	Completion date	

RECOMMENDATION

Recommendation	Description	Audited party comment	Remedial action

ISSUE

Issue	Description	Remedial action