

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**

For

**MOUNTAIN POWER LIMITED**

Prepared by: Steve Woods

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Audit report due date: 14-Feb-19

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## EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Mountain Power Ltd (Mountain Power)**, 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 version 7.2, which was produced by the Electricity Authority.

This audit found nine non-compliances and two recommendations are made.

There were some examples recorded in this report where registry information is incorrect. They are as follows:

- 65 blank IECD fields;
- incorrect NSPs for three ICPs;
- duplicate addresses for 13 ICPs; and
- distributed generation details missing for one ICP.

I recommend controls are improved and reporting is established to identify registry errors sooner. If this recommendation is adopted, I expect compliance will improve and should be able to be maintained at a higher level.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of 19, which results in an indicative audit frequency of 12 months and I agree with this recommendation.

## AUDIT SUMMARY

### NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Information on the registry not complete and accurate.	Moderate	Low	2	Identified
Timeliness of Ready update	3.4	7(2) of Schedule 11.1	ICP 0000030083MOE29 changed to Ready after electrical connection.	Strong	Low	1	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Late updating of the initial electrical connection date for 66 ICPs.	None	Low	5	Identified
New and Ready statuses	3.14	15 Schedule 11.1	ICP 0000012400MO12F at Ready for 24 months and no	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			check with the trader.				
Changes to registry information	4.1	8 Schedule 11.1	Registry event updates backdated greater than three days.	Moderate	Low	2	Identified
Notice of NSP for each ICP	4.2	7(1),(4) and (5) Schedule 11.1	Incorrect NSP for three ICPs.	Moderate	Low	2	Identified
Address information	4.4	2 Schedule 11.1	14 addresses not able to be readily located.	Moderate	Low	2	Identified
Provide ICP Information to the Registry manager	4.6	7(1)(o)&(p) Schedule 11.1	65 IECD fields blank. One ICP with distributed generation details missing.	Moderate	Low	2	Identified
Price category code updates	4.7	7(3) Schedule 11.1	Backdated price category code population for ICP 0000030083MOE29.	Strong	Low	1	Identified
Future Risk Rating						19	
Indicative Audit Frequency						12 months	

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
IECD updates	3.5	Regarding Clause 7(2A) of Schedule 11.1	Implement reporting to identify blank IECD fields.
Registry population	4.6	Regarding Clause 7(1) Schedule 11.1	Adopt the recommended format for unmetered load. Change dedicated status to "Y".

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

Mountain Power has no exemptions in place that are relevant to the scope of this audit.

#### Audit commentary

Not applicable

### 1.2. Structure of Organisation

The Mountain Power operation is managed by Andrew Hocken. This is not a large business and does not have an organisation chart.

### 1.3. Persons involved in this audit

Auditor:

**Steve Woods**

**Veritek Limited**

**Electricity Authority Approved Auditor**

Mountain Power personnel assisting in this audit were:

Name	Title	Company
Andrew Hocken	Company Director	Mountain Power
Hayden Darling	Customer Services Manager	Alpine Energy
Peter Bennett	Metering Officer	Alpine Energy
Margaret King	Registry Coordinator	Alpine Energy

#### 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

I checked whether any agents were engaged in any relevant processes.

##### Audit commentary

Alpine Energy is engaged to populate the registry and perform part of the new connections function.

#### 1.5. Supplier list

Alpine Energy is engaged to populate the registry and perform part of the new connections function.

#### 1.6. Hardware and Software

Mountain Power does not have hardware or software relevant to this audit. A spreadsheet exists of all ICPs, but this does not interface to the registry. Alpine Energy performs registry population.

#### 1.7. Breaches or Breach Allegations

Mountain Power has not had any breach allegations recorded by the Electricity Authority during the audit period.

#### 1.8. ICP and NSP Data

Mountain Power has responsibility for the NSPs in the table below.

Distribu tor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Networ k type	Start date	No of ICPs
MOPO	MMP0111	MACKENZIE PARK	ALPE	TWZ0331	MMP0111MOPOE	EN	01/05/2008	95
MOPO	MMT0111	MANUKA TERRACE	ALPE	TWZ0331	MMT0111MOPOE	EN	01/05/2008	126

Mountain Power provided a list of all ICPs as at November 2018 by way of a registry "list file". A summary of this data by "ICP status" is as follows:



Status	Number of ICPs 2019
New (999,0)	0
Ready (0,0)	7
Active (2,0)	221
Distributor (888,0)	0
Inactive – new connection in progress (1,12)	0
Inactive – electrically disconnected vacant property (1,4)	0
Inactive – electrically disconnected remotely by AMI meter (1,7)	0
Inactive – electrically disconnected at pole fuse (1,8)	0
Inactive – electrically disconnected due to meter disconnected (1,9)	0
Inactive – electrically disconnected at meter box fuse (1,10)	0
Inactive – electrically disconnected at meter box switch (1,11)	0
Inactive – electrically disconnected ready for decommissioning (1,6)	0
Inactive – reconciled elsewhere (1,5)	0
Decommissioned (3)	1

### 1.9. Authorisation Received

Mountain Power provided authorisation to Veritek, permitting the collection of data from other parties for matters directly related to the audit.

### 1.10. Scope of Audit

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

### 1.11. Summary of previous audit

Mountain Power provided a copy of the previous audit report, conducted in January 2018 by Paul Troon. The findings are detailed in the table below:

**Table of Non-Compliance**

Subject	Section	Clause	Non-compliance	Status
Complete and accurate information	2.1	11.2(1) and 10.6(1)	Information on registry incomplete or inaccurate.	Still existing
ICP electrical connection date	3.5	7(2A) Schedule 11.1	Late updating of initial electrical connection date for 18 ICPs.	Still existing
Maintain registry information	4.1	8 of Schedule 11.1	Registry events not updated within 3 business days.	Still existing
ICP location address	4.4	2 of schedule 11.1	Location address for 10 ICPs inadequate.	Still existing
NSP certification details	6.8	10.25(3)	Registry manager not advised of recertification details.	Cleared
Change of MEP for NSP metering installation	6.11	10.22(1)(b)	Registry Manager not informed of changed MEP for NSP metering.	Cleared

**Table of Recommendations**

Subject	Section	Recommendation	Status
		Nil	

## 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 file was examined to confirm compliance.

#### Audit commentary

There were some examples recorded in this report where “not all practicable steps” have been taken to ensure information accuracy. They are as follows:

- **Section 3.5** – 65 blank IECD fields
- **Section 4.2** – incorrect NSPs for three ICPs.
- **Section 4.4** – Duplicate addresses for 13 ICPs
- **Section 4.6** – DG details missing for one ICP.

#### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: 11.2(1) and 10.6(1)  From: 01-Dec-17 To: 28-Nov-18	Information on the registry not complete and accurate.  Potential impact: Low  Actual impact: Low  Audit history: Once  Controls: Moderate  Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	The control strength ranges from none to strong when considering the entire operation. There is definitely room for improvement. I have recorded the controls as moderate overall.  The audit risk rating is low as the errors have a minor impact on reconciliation and participants.

Actions taken to resolve the issue	Completion date	Remedial action status
Monthly Reporting of all new ICP's, ensuring appropriate fields within the Registry are completed in a timely fashion.	Ongoing	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	
As above	As above	

## 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

Mountain Power's data management processes were examined. The registry list file was examined to confirm compliance.

### Audit commentary

As detailed in **section 2.2**, Mountain Power have registry validation in place, which has improved during the audit period. All errors identified were corrected as soon as practicable.

### 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. 10 new connection applications of the 33 ICPs created were checked from the point of application through to when the ICP was created.

##### Audit commentary

Alpine Energy creates ICPs for Mountain Power as required by clause 1 of schedule 11.1. All relevant points of connection have an ICP.

##### 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. 10 new connection applications of the 33 ICPs created during the audit period were checked from the point of application through to when the ICP was created. These were selected using the typical characteristic methodology to confirm the process and controls worked in practice. The event detail report for the period February 2018 - December 2018 was examined to identify backdated "Ready" statuses.

##### Audit commentary

Mountain Power receives new connection requests from customers' agents, normally electricians, who provide a completed Network Application form on which a retailer is nominated. This is then provided to Alpine Energy and the ICP is created and populated into the registry at "Ready".

All ICPs were created within three business days.

##### Audit outcome

Compliant

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

#### Code reference

Clause 11.7

#### Code related audit information

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

#### Audit observation

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

#### Audit commentary

All ICPs created during the audit period were compliant and have complete data 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 new connection process was examined. The event detail report for the period February 2018 - December 2018 was examined. 28 ICPs were made "Ready" during that period. These were checked to confirm that they were updated prior to electricity being traded.

#### Audit commentary

ICP 0000030083MOE29 was updated to Ready after trading had commenced. Trading commenced on 30/11/17 and the registry was updated on 12/02/18.

#### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1  From: 30-Dec-17 To: 12-Feb-18	ICP 0000030083MOE29 changed to Ready after electrical connection.  Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as strong because they mitigate risk to an acceptable level.</p> <p>The impact on settlement and participants is minor; therefore, the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Monthly Reporting of all new ICP's, ensuring appropriate fields within the Registry are completed in a timely fashion		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		As above	

### 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 of the initial electrical connection date was examined. The event detail report for the period February 2018 - December 2018 was examined to identify late updates.

#### Audit commentary

After the metering and electrical connection fieldwork is complete, a completed form is provided back to Alpine Energy, and any necessary corrections are made to registry fields, for example, connection capacity or price category code. The initial electrical connection date is populated at this stage.

The initial electrical connection date was populated late for ICP 0000030083MOE29 and is blank for 65 ICPs. I recommend Mountain Power implements reporting to identify blank IECD fields.

Recommendation	Description	Audited party comment	Remedial action
Regarding Clause 7(2A) of Schedule 11.1	Implement reporting to identify blank IECD fields.	For each new ICP processed, MOPO will ensure appropriate IECD data is loaded into the Registry.	Identified

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 17-Jul-17 To: 15-Feb-19	Late updating of the initial electrical connection date for 66 ICPs. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: None Breach risk rating: 5		
Audit risk rating	Rationale for audit risk rating		
Low	There are no steps in place to identify and correct missing IECD fields. The impact on and participants is minor because this field is used to validate other fields against; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Weekly Reporting of all new ICP's, ensuring IECD dates are entered within the Registry as and when they occur.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		As above	

### 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.*

#### Audit observation

The new connection process was examined. The event detail report for the period February 2018 - December 2018 was examined. The list file was examined to confirm that all ICPs at the status of "ready" have a trader nominated.

#### Audit commentary

The new connections process was examined, and the process includes a "trader responsibility" step. All ICPs at "Ready" have a proposed trader populated in the registry.

#### 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.*

#### Audit observation

The new connection process was examined. A registry list was received to identify any new connections of ICPs that are also NSPs.

#### Audit commentary

The new connections process is designed to include a “retailer responsibility” step. All ICPs at “Ready” have a proposed trader populated in the registry.

#### 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.*

#### Audit observation

The new connection process was examined in relation to ICPs that are not also NSPs to Mountain Power’s network.

#### Audit commentary

There were no examples of temporary electrical connection 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 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 NSP table was examined and found no new NSPs have been created by Mountain Power and are not expected to be in the near future.

#### Audit commentary

Not applicable

#### Audit outcome

Not applicable

### 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 NSP table was examined and found no new NSPs have been created by Mountain Power and are not expected to be in the near future.

#### Audit commentary

Not applicable

#### Audit outcome

Not applicable

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

#### Code reference

*Clause 1(1) Schedule 11.1*

#### Code related audit information

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

*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. This was checked as part of the other new connection ICPs checked detailed in this section.

#### Audit commentary

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

#### 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 was examined to confirm all active ICPs have a single loss category code.

#### Audit commentary

This is known at the time of the ICP creation and this is assigned at the time of the ICP creation. Each active ICP only has a single loss category, which clearly identifies the relevant loss factor.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 13 Schedule 11.1*

#### Code related audit information

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

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

#### Audit observation

The new connection process was examined. The list and event detail files were examined in relation to the use of the “New” status.

#### Audit commentary

The new connections process was examined during the audit and it was found that ICPs are created at “Ready” and the “New” status is only present if another event is reversed.

#### 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” statuses was examined. The list file as at January 2019 was examined.

#### Audit commentary

The list file contained one ICP at “Ready” for more than 24 months. There was no evidence of correspondence with the trader, therefore compliance is not achieved.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.14 With: Clause 15 Schedule 11.1  From: 31-Jan-19 To: 15-Feb-19	ICP 0000012400MO12F at Ready for 24 months and no check with the trader.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	This ICP is in the process of being addressed. The controls have room for improvement to identify these instances sooner.  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
Monthly Reporting of all ICP's that have not been livened ie: remain in a ready state. Enquire as to current status of these. Registry to be updated as required.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		As above	

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

#### Code reference

Clause 7(6) Schedule 11.1

#### Code related audit information

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

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

#### Audit observation

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

#### Audit commentary

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

**Audit outcome**

Not applicable

## 4. MAINTENANCE OF REGISTRY INFORMATION

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

#### Code reference

Clause 8 Schedule 11.1

#### Code related audit information

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

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

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

*If the change to the NSP identifier is for more than 14 days, the time within which notification must be effected in accordance with Clause 8(3) of Schedule 11.1 begins on the 15th day after the change.*

#### Audit observation

The process to manage ICP changes was examined. The event detail report for the period February 2018 - December 2018 was examined. I used the extreme case methodology examining a sample of ten late updates (or less if there were fewer) for any change where the initial analysis could not determine the cause.

NSP changes were examined.

#### Audit commentary

The only changes identified were price category code changes and address changes. The table below shows the level of compliance for these changes.

Event type	Total	Compliant	Late	% compliance	Average
Pricing	32	29	3	91%	4.6
Address	55	14	41	25%	512

#### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.1 With: 8 Schedule 11.1  From: 01-Feb-18 To: 31-Dec-18	Registry event updates backdated greater than three days.  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	<p>I have rated the controls as moderate as the controls in place will mitigate the risk most of the time but there is room for improvement</p> <p>There is a potential minor impact on participants, hence the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
Monthly Reporting of ICP's that have had changes made to them. Fields updated accordingly within the Registry.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		As above	

#### 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 new connection process was examined and is described in **section 3**. The accuracy of NSP information was checked by identifying ICPs with a particular NSP where all other ICPs on the same road had a different NSP.

##### Audit commentary

Alpine populates the registry with the NSP details provided by Mountain Power.

I identified three ICPs with incorrect NSPs. The table below shows the details.

Street	MMP0111	MMT0111	ICP	Comments
Lakeland Avenue	19	1	0000022130MO2FE	Incorrect from 24/06/16 until 13/02/19. Now corrected.
Old Glen Lyon Road	1	3	0000013365MOD32	Incorrect since 07/03/16.
Woodley Avenue	1	16	0000030025MO7B9	Incorrect from 08/08/06 until 13/02/19. Now corrected.

##### Audit outcome

Non-compliant



Non-compliance	Description		
Audit Ref: 4.2 With: 7(1),(4) and (5) Schedule 11.1  From: 08-Aug-06 To: 15-Feb-19	Incorrect NSP for three ICPs.  Potential impact: Medium  Actual impact: Low  Audit history: None  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as the process will mitigate errors most of the time.  The volume of potentially mis-mapped ICPs is low therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Ensuring all New ICP's have the correct NSP loaded against them and if not, correcting this within the Registry.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		As above	

#### 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

Mountain Power or Alpine Energy may receive direct requests for ICP identifiers, and these are provided immediately.

##### Audit outcome

Compliant

#### 4.4. ICP location address (Clause 2 Schedule 11.1)

##### Code reference

Clause 2 Schedule 11.1

##### Code related audit information

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

##### Audit observation

The process to manage address accuracy was examined and the list file was analysed. The list file was checked to confirm ICP location addresses are readily locatable.

##### Audit commentary

The address is captured at the time of ICP creation.

Analysis of the list file found 13 duplicate addresses and one address without a street number.

##### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: Clause 2 Schedule 11.1  From: 30-Jun-16 To: 15-Feb-19	14 addresses not able to be readily located.  Potential impact: Low  Actual impact: Low  Audit history: Once  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 participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Difficult to address when local council does not hold updated street address details. These are for new subdivisions which in many cases need to use lot numbers as no street numbers have been allocated.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		As above	

#### 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 and proof of process was checked as part of the sample of new connections examined.

##### Audit commentary

For new connections, this clause is well understood. All new applications are checked to ensure the electrical disconnection clauses are met.

##### 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 from metering information*
  - c) *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*
  - c) *the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

#### **Audit observation**

The new connection and updating of ICP information processes for populating all required registry fields was examined. The list file was examined to check for the population of all required information and its alignment with the trader where appropriate e.g. distributed generation, unmetered load if known and shared unmetered load. All variances were examined in relation to initial electrical connection and distributed generation.

#### **Audit commentary**

##### Date of ICP Initial Electrical Connection

I found 65 ICPs where the initial electrical connection date was not populated.

##### Distributed Generation

Examination of the list file found two ICPs with distributed generation. One ICP was recorded by Mountain Power as having generation, but ICP 0000030150MO6AF was still recorded as load only. This was updated on 13/02/19 backdated to the installation date of the distributed generation which was 11/01/18.

##### Unmetered Load

There are three unmetered load ICPs. Two are distributed unmetered load ICPs and one is a telecommunications cabinet. This ICP does not have the unmetered load details populated in a format where the loads can be compared between Mountain Power and the trader. I recommend the Electricity Authority's recommended format be adopted. The relevant format is shown below in an extract from the unmetered load guidelines on the Authority's website.

The field definitions are:

Information	Format
Connected load	Watts, 4 digits, zero decimal places. Eg 1565
Semi colon separator	;
Running hours per day	Hours to 2 digits, and decimal hours to 1 decimal place Eg 02.5 (ie two and one half hours)
Semi colon separator	;
Other text	Free form as required

Example strings:

- 0110;10.5; Street light corner Rons Rd and Beatty St  
This is a 110 watt connected capacity street light that runs for 10.5 hours per day.
- 1525;01.0; Sewage pump outside 76 Guthries Rd  
This is a 1525 watt connected capacity sewage pump that runs for 1 hour per day.

#### Dedicated field

The dedicated field was checked in the list file. All ICPs should be "dedicated" but the accuracy of this field is not critical where there is one NSP per balancing area. There are 218 ICPs with the dedicated flag set to "N". I recommend these are changed to "Y".

Recommendation	Description	Audited party comment	Remedial action
Regarding Clause 7(1) Schedule 11.1	Adopt the recommended format for unmetered load. Change dedicated status to "Y".	OK	Identified

## Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1)(o)&(p) Schedule 11.1  From: 01-Feb-18 To: 15-Feb-19	65 IECD fields blank. One ICP with distributed generation details missing. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as they will mitigate risk most of the time. The audit risk rating is low as this information does not have a direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
All recommendations taken on board and processes to be improved to reflect this.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
New processes implemented.		Ongoing	

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

### Code reference

Clause 7(3) Schedule 11.1

### Code related audit information

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

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

### Audit observation

The new connection process was examined in detail.

### Audit commentary

ICP 0000030083MOE29 had the price category code loaded on 12/02/18 for an event date of 24/11/17. All other updates were on time.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.7 With: Clause 7(3) Schedule 11.1  From: 24-Nov-17 To: 12-Feb-18	Backdated price category code population for ICP 0000030083MOE29.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Strong  Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as strong because they mitigate risk to an acceptable level  The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Monthly Reporting of all new ICP's, ensuring appropriate fields within the Registry are completed in a timely fashion		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above		As above	

#### 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

GPS coordinates are not recorded.

##### Audit commentary

GPS coordinates are not recorded.

##### Audit outcome

Not applicable

#### 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 management of ICPs in relation to the use of the “ready” status was examined. The list file and event detail report period February 2018 - December 2018 were examined in relation to the use of the “ready” status.

##### Audit commentary

Mountain Power’s process ensures that a trader has taken responsibility for ICPs before the status is changed to “Ready”.

All ICPs have only one price category code.

##### Audit outcome

Compliant

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

##### Code reference

*Clause 16 Schedule 11.1*

##### Code related audit information

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

##### Audit observation

The management of ICPs in relation to the use of the “distributor” status was examined. The list file and event detail report for the period February 2018 - December 2018 were examined in relation to the use of the “distributor” status.

##### Audit commentary

Mountain Power’s list file shows no ICPs that have an ICP status of “Distributor”.

##### 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

No ICPs were decommissioned during the audit period and there are no ICPs at the status of “ready for decommissioning”.

##### Audit commentary

No ICPs were decommissioned during the audit period and there are no ICPs at the status of “ready for decommissioning”.

##### 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 code table on the registry was examined and Mountain Power have not created any new price category codes during the audit period.

##### Audit commentary

The price category code table on the registry was examined and Mountain Power have not created any new price category codes during the audit period.

##### Audit outcome

Not applicable

## 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 and Mountain Power have not created any new loss category codes during the audit period.

#### Audit commentary

The loss category code table on the registry was examined and Mountain Power have not created any new loss category codes during the audit period.

#### Audit outcome

Not applicable

### 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 code table on the registry was examined and Mountain Power have not updated any loss factors during the audit period.

#### Audit commentary

The loss category code table on the registry was examined and Mountain Power have not updated any loss factors during the audit period.

#### Audit outcome

Not applicable

## 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 table on the registry was examined. No NSPs were created or decommissioned during the audit period, therefore this was not assessed as part of this audit.

#### Audit commentary

The NSP table on the registry was examined. No NSPs were created or decommissioned during the audit period, therefore this was not assessed as part of this audit.

#### Audit outcome

Not applicable

### 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 table on the registry was examined. No NSPs were created or decommissioned during the audit period therefore this was not assessed as part of this audit.

### Audit commentary

The NSP table on the registry was examined. No NSPs were created or decommissioned during the audit period therefore this was not assessed as part of this audit.

### Audit outcome

Not applicable

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

### Code reference

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

### Code related audit information

*If a participant has notified the creation of an NSP on the distributor's network, the distributor must give written notice to the reconciliation manager of the following:*

- *if the NSP is to be located in a new balancing area, all relevant details necessary for the new balancing area to be created and notification that the NSP to be created is to be assigned to the new balancing area*
- *in all other cases, notification of the balancing area in which the NSP is located.*

### Audit observation

The NSP table on the registry was examined. No new balancing areas were created during the audit period; therefore, this was not assessed as part of this audit.

### Audit commentary

The NSP table on the registry was examined. No new balancing areas were created during the audit period; therefore, this was not assessed as part of this audit.

### Audit outcome

Not applicable

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

### Code reference

*Clause 26(4) Schedule 11.1*

### Code related audit information

*If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must give notice to the reconciliation manager at least 1 month before the creation or transfer of:*

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

#### **Audit observation**

The NSP table on the registry was examined. No new NSPs were created during the audit period, therefore this was not assessed as part of this audit.

#### **Audit commentary**

The NSP table on the registry was examined. No new NSPs were created during the audit period, therefore this was not assessed as part of this audit.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 24(2) and (3) Schedule 11.1*

#### **Code related audit information**

*The distributor must give written notice to the reconciliation manager of any change to balancing areas associated with an NSP supplying the distributor's network. The notification must specify the date and trading period from which the change takes effect and be given no later than 3 business days after the change takes effect.*

#### **Audit observation**

The NSP table on the registry was examined. No balancing areas were changed during the audit period; therefore, this was not assessed as part of this audit.

#### **Audit commentary**

The NSP table on the registry was examined. No balancing areas were changed during the audit period; therefore, this was not assessed as part of this audit.

#### **Audit outcome**

Not applicable

### **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 table on the registry was examined. Mountain Power has not had any ICPs that have changed to become an NSP during the audit period, therefore this was not assessed as part of this audit.

#### **Audit commentary**

The NSP table on the registry was examined. Mountain Power has not had any ICPs that have changed to become an NSP during the audit period, therefore this was not assessed as part of this audit.

#### **Audit outcome**

Not applicable

### **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**

Mountain Power has not acquired any networks therefore this was not assessed as part of this audit.

#### **Audit commentary**

Mountain Power has not acquired any networks therefore this was not assessed as part of this audit.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 10.25(1) and 10.25(3)*

#### **Code related audit information**

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

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

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

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

#### **Audit observation**

The NSP table shows that both NSPs have current certification. The NSP table was updated during the previous audit and there have been no further updates.

#### **Audit commentary**

The NSP table shows that both NSPs have current certification. The NSP table was updated during the previous audit and there have been no further updates.

#### **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**

There are no new NSPs.

**Audit commentary**

There are no new NSPs.

**Audit outcome**

Not applicable

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

**Code reference**

*Clause 29 Schedule 11.1*

**Code related audit information**

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

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

*At least one months 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**

Mountain Power has not acquired any networks therefore this was not assessed as part of this audit.

**Audit commentary**

Mountain Power has not acquired any networks therefore this was not assessed as part of this audit.

#### **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 MEP has not changed during the audit period.

#### **Audit commentary**

The MEP has not changed during the audit period.

#### **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**

There have not been any ICP transfers.

#### **Audit commentary**

There have not been any ICP transfers.

#### **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**

Mountain Power has not acquired any networks therefore this was not assessed as part of this audit.

#### **Audit commentary**

Mountain Power has not acquired any networks therefore this was not assessed as part of this audit.

#### **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

Mountain Power has no existing shared unmetered load.

#### Audit commentary

Mountain Power has no existing shared unmetered load.

#### 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

Mountain Power has no existing shared unmetered load.

#### Audit commentary

Mountain Power has no existing shared unmetered load.

#### 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.

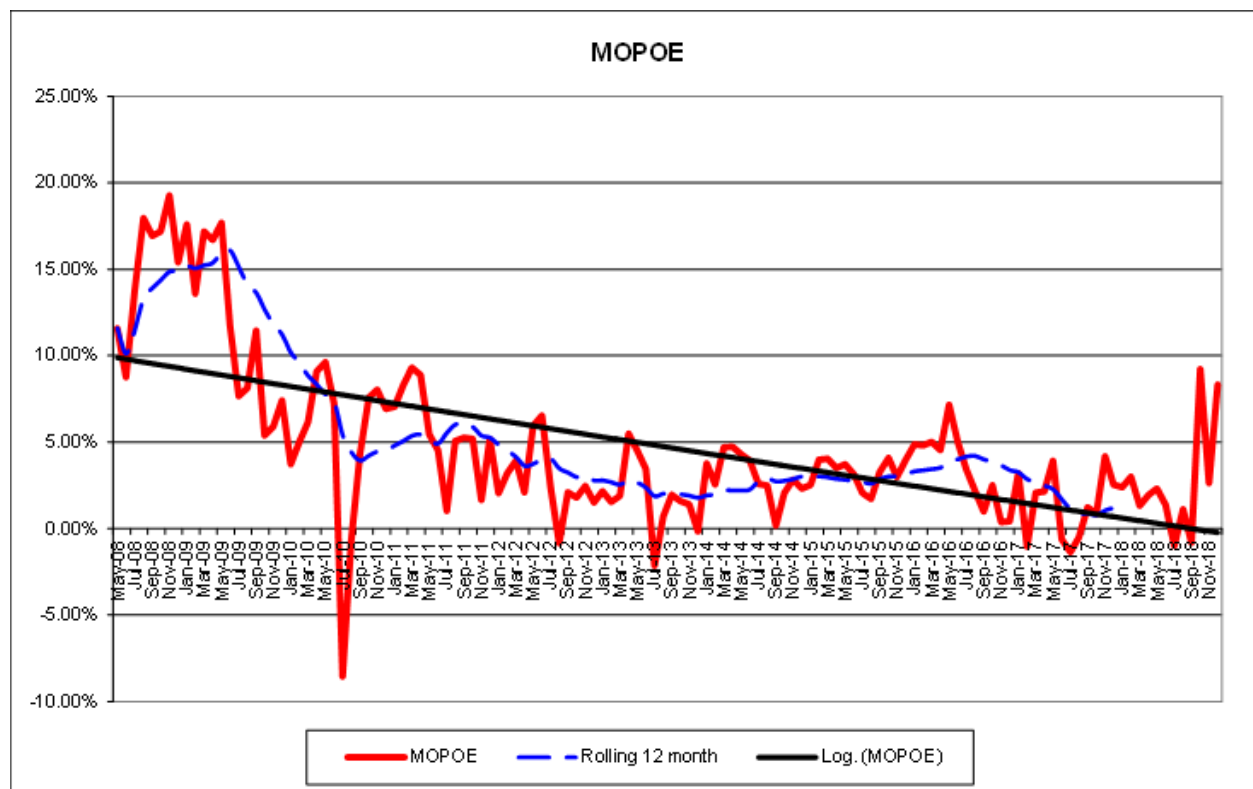
#### Audit observation

The “Guidelines on the calculation and the use of loss factors for reconciliation purposes” was published on 26/06/18. I checked Mountain Power’s process against the guideline, and I reviewed the rolling UFE report.

#### Audit commentary

Mountain Power calculates loss factors to match the Alpine Energy loss factors for similar ICPs.

The graph below shows the UFE trend approaching zero. This needs to be checked again during the next audit to ensure the trend does not go too far below zero, indicating loss factors being too high.



#### Audit outcome

Compliant

## CONCLUSION

This audit found nine non-compliances and two recommendations are made.

There were some examples recorded in this report where registry information is incorrect. They are as follows:

- 65 blank IECD fields;
- incorrect NSPs for three ICPs;
- duplicate addresses for 13 ICPs; and
- distributed generation details missing for one ICP.

I recommend controls are improved and reporting is established to identify registry errors sooner. If this recommendation is adopted, I expect compliance will improve and should be able to be maintained at a higher level.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of 19, which results in an indicative audit frequency of 12 months and I agree with this recommendation.

## PARTICIPANT RESPONSE

All recommendations have been taken on board. However, the fact our network is active with massive growth on both NSP's, must be taken into account. There will of course be instances where the information is not readily available (new subdivisions) or that details have not been completed in a timely manner (new house change of ownership). All of these noncompliance examples are immaterial. The true consequence of our non-compliances is negligible in that they affect nobody, apart from of course the Electricity Authority.

We will look to improve our processes and procedures with a view to reducing our noncompliance.