

TEG & Associates Ltd

**Electricity Industry Participation Code
Reconciliation Participant Audit Report**

For

Electricity Southland Limited

Prepared by Ewa Glowacka

Date of Audit: 3rd of April 2017

Date Audit Report Complete: 12th July 2017

Executive summary

This reconciliation participant audit was performed at the request of Electricity Southland Limited (Lakeland Network) (LLNW) as an embedded network owner (Northlake Network), to encompass the Authority's request for an initial audit as required by clause 4, of Schedule 15.1, of the Electricity Industry Participation Code 2010. The embedded network was electrically connected on 12th July 2017.

The relevant rules audited are as required by the Guidelines for Reconciliation Participants Audits V6.2, issued by the Electricity Authority.

No non compliances were found. We thank the PowerNet staff for their full and complete cooperation in this audit.

A table is shown below of the salient clauses and their status as discovered by this audit. A summary table is included at the end of the report, detailing only the outstanding non-compliances.

Table of non-compliance

Subject	Section	Clause	Non-compliance	Cleared
			Nil	

Table of recommendations

Subject	Section	Clause	Issue	Cleared
			Nil	

Notes regarding the clearances of the issues raised are detailed in section 8 of this report.

Persons involved in this audit

Name	Title	Company	Comment
Aaron Sinclair	Commercial Manager	PowerNet	Contact person
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates Ltd	

Contents

Executive summary	A
Table of non-compliance	A
Table of recommendations	A
Persons involved in this audit	B
1. Pre-audit and operational infrastructure information	1
1.1 Summary of previous audit	1
1.2 Scope of audit	1
1.3 Quality Certification [clause 5(1)(b) of Schedule 15.1]	1
1.4 Exemptions from obligations to comply with the Code (section 11 of Electricity Industry Act 2010)	2
1.5 Use of agents by reconciliation participants (clause 15.34 of the Part 15)	2
1.6 Breaches or Breach Allegations	2
1.7 Authorisation Received	2
1.8 NSP data	2
1.9 Access to premises in which metering installation located [clause 10.7 of Part 10]	3
1.10 Reconciliation participant to have arrangements with MEP [clause 10.36 of Part 10]	3
1.11 Participant to provide accurate information [clause 10.6 of Part 10]	4
1.12 Requirement to provide complete and accurate information [clause 15.2 of Part 15]	4
2. Gathering and storing raw meter data [clause 15.38(1)(b)]	5
2.1.1 Electricity conveyed (clause 10.13 of Part 10)	5
2.1.2 Responsibility for ensuring there is metering installation for ICP that is not also NSP (clause 10.24 of Part 10)	5
2.1.3 Metering installation which are inaccurate, defective, or not fit for purpose to be investigated [clause 10.43(2) and (3) of Part 10]	5
2.1.4 Physical location of metering installations [clause 10.35(2) of Part 10]	6
2.1.5 Collection of raw meter data by certified reconciliation participant [clause 2(5)(6) of Schedule 15.2]	6
3. Creation and management (including validating, estimating, storing, correcting and archiving) of volume information [clause 15.38(1)(c)]	7
4. Provision of submission information for reconciliation [clause 15.38(1)(e)]	7
5. Non-compliance table summaries	8
6. Conclusion	8
7. Electricity Southland Limited comment/response to audit	9
8. Audit summary for Electricity Authority website	10
Appendix 1 Supporting Audit report	11
• EMS	11

1. Pre-audit and operational infrastructure information

1.1 Summary of previous audit

This is the initial audit for Electricity Southland Limited as a reconciliation participant. There is no history of a previous audit for this participant.

1.2 Scope of audit

This reconciliation participant audit was performed at the request of Electricity Southland Limited as an embedded network owner, to encompass the Authority's request for an initial audit as required by clause 4, of Schedule 15.1, of the Code to assure compliance with the Electricity Industry Participation Code 2010. The embedded network (Northlake Network) is located at Outlet Road Wanaka.

The desktop audit was carried out on 3rd April 2017. The scope of audit is shown in the table below:

Functions requiring certification under clause 15.38(1) of Part 15	Agents providing services	MEPs providing services
(b) – Gathering and storing raw meter data	EMS	
(c)(i) - Creation and management of HHR volume information	EMS	
(e) – Provision of submission information for reconciliation	EMS	

The audit report of EMS is attached to this report.

1.3 Quality Certification [clause 5(1)(b) of Schedule 15.1]

EMS has ISO 9001:2008 certification in place which was relevant to the scope of this audit.

1.4 Exemptions from obligations to comply with the Code (section 11 of Electricity Industry Act 2010)

Electricity Southland Limited confirmed that there are no exemptions in place which are relevant to the scope of this audit.

1.5 Use of agents by reconciliation participants (clause 15.34 of the Part 15)

Electricity Southland Limited uses EMS to provide half hour data collection and submission of consumption information to the reconciliation manager. The annual EMS audit found them compliant. For more details, refer to Appendix 1 .

1.6 Breaches or Breach Allegations

There were no breaches recorded.

1.7 Authorisation Received

Electricity Southland Limited provided a letter of authorisation to TEG & Associates permitting the collection of data from other parties for matters directly related to the audit.

1.8 NSP data

Electricity Southland Limited is responsible for one embedded network in Wanaka. Listed below is the NSP and associated information:

- NSP – NKL0111
- Description – Wanaka network
- Parent POC – CML0331
- Parent network – DUNE
- Balancing area - NLK0111-LLNW-EN
- Network Type – EN

- Start Date – 31/03/2017
- MEP – PNET
- Gate meter ICP - 0000505609CE056

1.9 Access to premises in which metering installation located [clause 10.7 of Part 10]

The responsible reconciliation participant must, if requested, arrange access for the metering installation to the following parties:

- *the Authority*
- *an ATH*
- *an auditor*
- *an MEP*

The trader must use its best endeavours to provide access:

- *in accordance with any agreements in place*
- *in a manner and timeframe which is appropriate in the circumstances*

Electricity Southland Limited understands their obligations under this clause and will provide physical access to the premises in which the metering installation is located, to parties specified in clause 10.7(2).

1.10 Reconciliation participant to have arrangements with MEP [clause 10.36 of Part 10]

A reconciliation participant must, before accepting responsibility to be the reconciliation participant of a point of connection, enter into an arrangement with a metering service provider

It was confirmed with PowerNet that there is an arrangement with PowerNet (PWNT) to provide the MEP services for a gate meter.

1.11 Participant to provide accurate information [clause 10.6 of Part 10]

A participant must take all practicable steps to ensure that information that the participant provides to any person under Part 10 is—

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

If the participant becomes aware that in providing information under Part 10, 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.

Electricity Southland Limited confirmed that they use their best endeavours to meet this clause to provide complete and accurate information.

1.12 Requirement to provide complete and accurate information [clause 15.2 of Part 15]

Clause 15.2 requires that a process be in place to correct any misleading or incorrect information published. Electricity Southland Limited advises that these matters are handled as they arise (or should they arise).

2. Gathering and storing raw meter data [clause 15.38(1)(b)]

2.1.1 Electricity conveyed (clause 10.13 of Part 10)

A participant must use the quantity of electricity measured by a metering installation as the raw meter data for the quantity of electricity conveyed through the point of connection.

Electricity measured by a metering installation is used as the raw meter data for reconciliation purposes. EMS collects and submits data on behalf of Electricity Southland Limited. We can confirm compliance.

2.1.2 Responsibility for ensuring there is metering installation for ICP that is not also NSP (clause 10.24 of Part 10)

A trader must, for each energised ICP that is not also an NSP, and for which it is recorded in the registry as being responsible, ensure that:

- (a) there is 1 or more metering installations*
- (b) all electricity conveyed is quantified in accordance with the Code*
- (c) it does not use subtraction to determine submission information for the purposes of Part 15.*

We confirm that a gate meter was installed. No subtraction is used to determine submission information. Compliance confirmed.

2.1.3 Metering installation which are inaccurate, defective, or not fit for purpose to be investigated [clause 10.43(2) and (3) of Part 10]

If a participant becomes aware of an event or circumstance that lead it to believe a metering installation could be inaccurate, defective, or not fit for purpose they must:

- advise the metering equipment provider*
- include in the advice all relevant details.*

Electricity Southland Limited fully understands the obligations placed upon them by the above clause and will take action if a situation arises.

2.1.4 Physical location of metering installations [clause 10.35(2) of Part 10]

A reconciliation participant responsible for ensuring there is a category 3 or higher metering installation must,—

- (a) if practical in the circumstances, ensure that the metering installation is located at a point of connection; or*
- (b) if it is not practical in the circumstances to locate the metering installation at the point of connection, calculate the quantity of electricity conveyed through the point of connection using a loss compensation process approved by the certifying ATH.*

During this audit it was confirmed that the metering installation is located at the point of connection. No compensation factor is required.

2.1.5 Collection of raw meter data by certified reconciliation participant [clause 2(5)(6) of Schedule 15.2]

2(5)- When electronically interrogating the meter the participant must:

- (a) Ensure the system is to within +/- 5 seconds of NZST or NZDST*
- (b) Compare the meter time to the system time*
- (c) Determine the time error of the metering installation*
- (d) If the error is less than the maximum permitted error, correct the meter's clock*
- (e) If the time error is greater than the maximum permitted error then:*
 - (i) correct the metering installation's clock*
 - (ii) compare the metering installation's time with the system time*
 - (iii) correct any affected*

• *2(6) – The interrogation systems must record:*

- *the time*
- *the date*
- *the extent of any change made to the meter clock.*

The function of collecting raw meter data is performed by EMS (agent) and according to this year's EMS audit report, which is attached as Appendix 1, it is compliant with the Code.

3. Creation and management (including validating, estimating, storing, correcting and archiving) of volume information [clause 15.38(1)(c)]

This function for half hour meters is performed by EMS (agent) and according to this year's EMS audit report, which is attached as Appendix 1, it is compliant with the Code.

4. Provision of submission information for reconciliation [clause 15.38(1)(e)]

This function for half hour meters is performed by EMS (agent) and according to this year's EMS audit report, which is attached as Appendix 1, it is compliant with the Code.

5. Non-compliance table summaries

The table below is a summary of non-compliance and recommendations relating to the findings of this report.


Subject	Section	Clause	Non-compliance	Cleared
			Nil	

6. Conclusion

Electricity Southland Limited's compliance is reliant on the compliance of EMS, as the agent. EMS conducts all functions, which require certification. Compliance is confirmed in the EMS report in relation to the functions performed on behalf of Electricity Southland Limited.

7. Electricity Southland Limited comment/response to audit

Signed by:

A handwritten signature in dark ink, appearing to read 'E. Glowacka', written in a cursive style.

Ewa Glowacka

Electricity Authority Approved Auditor

Signed by:

Aaron Sinclair

Commercial Manager

8. Audit summary for Electricity Authority website

As per Schedule 15.1 clause 11(2) of the Electricity Industry Participation Code 2010, the Authority is required to publish a summary of each audit report.

Date of audit report:	12 th July 2017
Participant involved:	Electricity Southland Limited
Auditor involved:	Ewa Glowacka
Scope of the audit:	Clause 15.38 (1)(b),(1)(c)(i), and (1)(d) of Part 15 the Electricity Industry Participation Code 2010
Outcome of the audit:	Compliant

Appendix 1 Supporting Audit report

- EMS