

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

MOUNTAIN POWER LIMITED
NZBN: 9429035258995

Prepared by: Rebecca Elliot

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EXECUTIVE SUMMARY

This Distributor audit was conducted 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 V7.2, which was produced by the Electricity Authority.

Mountain Power has two embedded networks situated in Twizel. The parent network (**Alpine Energy**) creates ICPs and performs registry maintenance as Mountain Power's agent. All activity from 1 December 2020 was considered during this audit and Alpine Energy's processes for Mountain Power were reviewed as part of their 2021 Distributor audit.

Two areas of improvement were identified and should be relatively easy to rectify:

- add the Utilities Disputes information on all customer facing emails, and
- provide Alpine Energy with Mountain Power seals for use in the field.

The audit found eight non-compliances and repeats three recommendations and makes two new recommendations. Overall, the level of compliance has improved during the audit period. Processes have been improved including additional checking of paperwork received from field work.

The audit risk rating of 16 indicates that the next audit be due in 12 months. This is an improvement from the score of 22 recorded in the last audit. Many of the non-compliances relate to only one to two ICPs. I have considered this in conjunction with Mountain Power's responses, the size of the network and recommend that the next audit be in 18 months' time.

The matters raised are recorded in the table below.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	One ICP with the incorrect initial electrical connection date recorded. One ICP became active during the audit period but had no initial electrical connection date populated.	Strong	Low	1	Identified
Removal or breakage of seals	2.3	48(1A) and 48(1B) of Schedule 10.7	Alpine seals used on the Mountain Power network.	Moderate	Low	2	Identified
Provision of information on dispute resolution scheme	2.4	11.30A	The Utilities Dispute information is not provided in communications to the consumer.	None	Low	5	Identified
Provision of ICP Information to the registry manager	3.3	11.7	One ICP became active during the audit period but had no initial electrical connection date populated	Strong	Low	1	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Four ICPs late initial electrical connection date updates.	Moderate	Low	2	Identified
Changes to registry information	4.1	8 Schedule 11.1	20 late price code changes.	Moderate	Low	2	Identified
Distributors to Provide ICP Information to the Registry manager	4.6	7(1) Schedule 11.1	One ICP with the incorrect initial electrical connection date recorded. One ICP became active during the audit period but had no initial electrical connection date populated.	Strong	Low	1	Identified
Creation of loss factors	8.1	11.2	Loss factors are not accurate as indicated by the reconciliation losses.	Moderate	Low	2	Identified
Future Risk Rating						16	

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
Requirement to provide complete and accurate information	2.1	Registry validation	Utilise the AC020 reporting to assist with identifying potential data discrepancies.
Removal and breakage of seals	2.3	Provide MOPO seals	Provide Alpine with MOPO seals for use in the field.
Provision of information on dispute resolution scheme	2.4	Provide Utilities Disputes information	Include the Utilities Dispute service in the email signature.
Distributors to Provide ICP Information to the Registry manager	4.6	Dedicated NSP status	Change dedicated status to "Y".
		Distributor unmetered load details	Liaise with the trader to confirm load details and then update the unmetered load details for 000022015MOBE0.

ISSUES

Subject	Section	Issue	Description
		Nil	

1. ADMINISTRATIVE

Exemptions from Obligations to Comply with Code (Section 11)

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

- 1.1. *Section 11 of the Electricity Industry Act provides for the Electricity Authority to exempt any participant from compliance with all or any of the clauses.*

Audit observation

The Electricity Authority website was checked to determine whether Mountain Power has any Code exemptions in place.

Audit commentary

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

Structure of Organisation

- 1.2. The Mountain Power operation is managed by Andrew Hocken, and Grant Hocken is the Network Manager. This is not a large business and does not have an organisation chart.

1.3. Persons involved in this audit

Auditor:

Name	Company	Role
Rebecca Elliot	Veritek Limited	Lead Auditor
Claire Stanley	Veritek Limited	Supporting Auditor

Personnel assisting in this audit were:

Name	Title	Organisation
Andrew Hocken	Operations Manager	Mountain Power
Hayden Darling	Customer Services Manager	Alpine Energy
Peter Bennett	Metering Officer	Alpine Energy
Kai Ruemenapf	Project Co-ordinator	Alpine Energy
Taylor Allan	Customer Services Support Officer	Alpine Energy

Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

1.4. *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, and*
- *must ensure that the contractor has at least the specified level of skill, expertise, experience, or qualification that the participant would be required to have if it were performing the obligation itself.*

Audit observation

The use of contractors was discussed with Mountain Power.

Audit commentary

Alpine Energy is engaged for creation of ICPs and registry management.

Supplier list

- 1.5. Alpine Energy is engaged for creation of ICPs and registry management.

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.

Registry information is maintained by Alpine Energy using their Mountain Power ICP database. It is a Microsoft Access database and VB application. Access to the database is restricted through network access permissions, and access to the network is restricted using logins and passwords.

- 1.7. The database is fully backed up every night, with incremental backups every 15 minutes as part of Alpine Energy's virtual systems.

Breaches or Breach Allegations

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

ICP and NSP Data

Mountain Power has responsibility for the NSPs in the table below, and active ICP numbers are as of 28 October 2021. No NSPs were created, decommissioned, or transferred to or from other networks during the audit period.

1.8.

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
MOPO	MMP0111	MACKENZIE PARK	ALPE	TWZ0331	MMP0111MOPOE	EN	01/05/2008	125
MOPO	MMT0111	MANUKA TERRACE	ALPE	TWZ0331	MMT0111MOPOE	EN	01/05/2008	175

Mountain Power's ICPs are summarised by status below:

Status	Number of ICPs October 2021	Number of ICPs Jan 2020	Number of ICPs Sep 2019
New (999,0)	-	-	-
Ready (0,0)	8	6	5
Active (2,0)	300	284	243
Distributor (888,0)	-	-	-
Inactive – new connection in progress (1,12)	2	1	-
Inactive – electrically disconnected vacant property (1,4)	1	1	-
Inactive – electrically disconnected remotely by AMI meter (1,7)	1	1	2
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	-	-	-
Inactive – electrically disconnected at meter box fuse (1,10)	-	-	-
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-
Decommissioned (3)	2	2	1

Authorisation Received

A letter of authorisation was provided.

Scope of Audit

1.9. 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.

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

Mountain Power has two embedded networks situated in Twizel, with 300 active ICPs connected as of 28 October 2021. The parent network (Alpine Energy) creates ICPs and performs registry maintenance as Mountain Power's agent.

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

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

All activity from 1 December 2020 was considered during this audit, and Alpine Energy's processes for Mountain Power were reviewed as part of their 2021 Distributor audit and any changes to these processes are detailed in this audit report.

Summary of previous audit

Mountain Power provided a copy of their previous audit conducted in February 2021 by Rebecca Elliot of Veritek Limited. The audit recorded six non-compliances and made two recommendations. The current status of the non-compliances and recommendations is listed below.

Table of Non-compliances

1.11.

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	12 ICPs which became active during the audit period but had no initial electrical connection date populated. Eight ICPs with the incorrect initial electrical connection date recorded. Three ICPs with distributed generation had a generation capacity recorded that did not match the generation capacity on paperwork.	Still existing for a different ICP Still existing for different ICPs Cleared
Requirement to correct errors	2.2	11.2(2) and 10.6(2)	Corrections not made as soon as practicable.	Cleared
Provision of ICP Information to the registry manager	3.3	11.7	12 ICPs which became active during the audit period but had no initial electrical connection date populated.	Still existing for a different ICP
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	46 ICPs late initial electrical connection date updates.	Still existing for different ICPs
Monitoring of “new” & “ready” statuses	3.14	15 Schedule 11.1	ICPs 0000012400MO12F (ready since 31/01/17) and 0000012452MO9A2 (ready since 03/03/17) had been followed up with the customer or their agent to determine whether they were still required, but not the trader.	Cleared
Changes to registry information	4.1	8 Schedule 11.1	4 late price code changes. 3 late Distributed Generation updates.	Still existing for different ICPs Cleared

Table of Recommendations

Subject	Section	Recommendation	Description	Status
Requirement to provide complete and accurate information	2.1	Registry validation	Utilise the AC020 reporting to assist with identifying potential data discrepancies.	Not implemented
Distributors to Provide ICP Information to the Registry manager	4.6	Dedicated NSP status	Change dedicated status to "Y".	Still existing for a small number of ICPs
		Distributor unmetered load details	Liaise with the trader to confirm load details and then update the unmetered load details for 000022015MOBE0.	Still existing

2. OPERATIONAL INFRASTRUCTURE

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

2.1. *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 as of 28 October 2021, and the combined audit compliance reports for the period from 1 December 2020 to 15 October 2021 were examined to confirm compliance.

Audit commentary

Registry update

ICP information is maintained in Alpine Energy's Mountain Power ICP database. When data maintained by the distributor on the registry is updated in the ICP database, the update is automatically sent to the registry.

Mountain Power may manually process updates using the registry web interface where corrections are required.

Acknowledgement files are imported into the database, and reports are run to identify any failed updates each morning. Issues are investigated and corrected by Alpine Energy.

Registry validation

The ICP notifications database is used to check the data held in the Mountain Power ICP database against the registry information daily. Discrepancies are identified and resolved by Alpine Energy.

There are no regular checks to identify trader or MEP information which is inconsistent with distributor information. Inconsistencies could indicate that distributor information requires review or update, such as:

- addition of trader unmetered load details, where no distributor unmetered load is recorded,
- addition of a trader profile which is used for distributed generation (e.g., PV1 or EG1), where no distributor generation is recorded, and
- addition of meters with flow direction I, where no distributor generation is recorded.

Discrepancy reporting is available from the registry, and I repeat the recommendation from the last audit that Mountain Power use this to check for data discrepancies.

Recommendation	Description	Audited party comment	Remedial action
Registry validation	Utilise the AC020 reporting to assist with identifying potential data discrepancies.	To be used on a monthly basis moving forward.	Identified

Initial electrical connection dates

The audit compliance reporting identified one ICP with no initial electrical connection date recorded, this has been updated on the registry during the audit. This is recorded as a non-compliance below and in **sections 3.3** and **4.6**.

The audit compliance reporting identified one ICP with date inconsistencies between the initial electrical connection date, the active date, and the meter certification date. This was a data entry error for the initial electrical connection date and was corrected during the audit. This is recorded as non-compliance below and in **section 4.6**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: Clause 11.2(1) and 10.6(1) From: 02-Dec-20 To: 15-Oct-21	One ICP with the incorrect initial electrical connection date recorded. One ICP became active during the audit period but had no initial electrical connection date populated. Potential impact: Low Actual impact: Low Audit history: Multiple times previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong as they will eliminate risk to an acceptable level. The audit risk rating is low as there is little to no impact to the market as a result of the discrepancies found.		
Actions taken to resolve the issue		Completion date	Remedial action status
Monthly AC020 reporting to be carried out.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See above.		Ongoing	

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

- 2.2. *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 as of 285 October 2021 was examined to confirm compliance.

Audit commentary

As detailed in **section 2.1**, there is registry validation in place and errors are detected and corrected through this process by Alpine Energy on behalf of Mountain Power. Mountain Power are responsible for the checks to identify trader or MEP information which is inconsistent with distributor information.

There has been an improvement during this audit period and Mountain Power are checking paperwork from the field technician to ensure complete information is provided.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

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

Audit observation

The PR-255 file was examined to determine whether load control devices existed on the network. The management of removal and breakage of seals was discussed.

Audit commentary

Mountain Power do not complete any work requiring a change of seal. Alpine may remove or break a seal to bridge load control switches after hours as a result of direct contact from a customer. They are currently applying their Alpine seal in these instances. This is non-compliant as the code requires that

the Distributor must apply their own seal. I recommend that Mountain Power provide Alpine with their own seals.

Recommendation	Description	Audited party comment	Remedial action
Removal and breakage of seals	Provide Alpine with MOPO seals for use in the field.	We will get seals manufactured and get this underway.	Identified

The trader is advised, and a job is requested to complete the unbridging and resealing work.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.3 With: Clause 48(1A) and 48(1B) of Schedule 10.7 From: 01-Feb-21 To: 15-Oct-21	Alpine seals used on the Mountain Power network. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate as seals are used but Mountain Power have no seals of their own and an Alpine seal is used. The audit risk rating is low as there are very few incidents where seals are required to be used.		
Actions taken to resolve the issue		Completion date	Remedial action status
MOPO will have seals made for it so that AEL seals are not used on our networks.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See above.		Ongoing	

2.4.

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

Code reference

Clause 11.30A

Code related audit information

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

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

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

Audit observation

The Disputes Resolution information was examined for Mountain Power to determine compliance for all customer communications.

Audit commentary

Mountain Power do not have a website and they do not communicate directly with consumers, except for some applications for supply or outage notifications. These communications are managed by email. The Utilities Dispute information is not included in these communications. I recommend that this is added as part of the email signature.

Recommendation	Description	Audited party comment	Remedial action
Provision of information on dispute resolution scheme	Include the Utilities Dispute service in the email signature.	We will update and include.	Identified

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.4 With: 11.30A From: 01-Dec-20 To: 15-Oct-21	The Utilities Dispute information is not provided in communications to the consumer. Potential impact: Low Actual impact: Low Audit history: None Controls: None Breach risk rating: 5		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as none because Mountain Power do not provide any provide Utility Dispute information in written communications. There is no 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
On the very occasional email correspondence MOPO has with ICPs, Utilities Dispute info will be provided/shown. We question why a risk rating of 5 is given here when we hardly ever deal directly with consumers AND there is minimal impact. Please advise.		As and when required	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See above.		As and when required	

3. CREATION OF ICPS

Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

- 3.1. *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 and is described in **section 3.2** below.

The registry list file as of 28 October 2021, combined audit compliance reports for 1 December 2020 to 15 October 2021 were reviewed to identify all new connections during the period and check that ICPs were created as required by this clause.

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.

Examination of the registry list found 21 ICPs were created during the audit period. The sample checked in **section 3.2** below confirms this.

Audit outcome

Compliant

3.2.

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The new connection process was examined. A sample of 10 new connections were checked to confirm compliance.

ICP requests are usually made by the customer's agent. If the request is not made by a trader this rule does not apply.

Audit commentary

Applications for ICPs are usually received from the electrician by Mountain Power. Once all the required information is received, it is provided to Alpine Energy to create the ICP. The ICP is created at "ready" status.

The new connections checked were requested by the customer, not the trader.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The new connection process was examined.

The registry list file as of 28 October 2021, combined audit compliance reports for 1 December 2020 to 15 October 2021 were reviewed to identify all new connections during the period and check that information was provided as required by this clause.

Audit commentary

Alpine Energy provides information as Mountain Power's agent. All ICPs created during the audit period had the correct information populated as required by this clause. Review of the sample of new connections confirmed there was one ICP with no initial electrical connection date recorded, this was due to incomplete paperwork being provided. This is recorded as non-compliance below and in **sections 2.1 and 4.6**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.3 With: Clause 11.7 From: 01-Dec-20 To: 15-Oct-21	One ICP became active during the audit period but had no initial electrical connection date populated. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	The controls are recorded as strong as they will eliminate 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
Network manager to forward all copies of new connection inquiries as and when they occur. Paperwork to be followed up with AEL.	Ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
As above	Ongoing	

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

Code reference

3.4. *Clause 7(2) of Schedule 11.1*

Code related audit information

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

Audit observation

The registry list file as of 285 October 2021, and the combined registry compliance audit reports covering the period 1 December 2020 to 15 October 2021 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

The distributor must provide to the registry the information listed in clause 7(1) of schedule 11.1 as soon as practicable, and before electricity is traded at the ICP. Alpine Energy provides the ICP information as Mountain Power's agent, using the verified information provided in the completed Network Application form.

The combined audit compliance report confirmed that the required information was provided for all ICPs prior to electricity being traded.

The timeliness of provision of initial electrical connection dates is discussed separately in **section 3.5**.

3.5. **Audit outcome**

Compliant

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 new connection process for populating all required registry fields was examined. The registry list file as of 28 October 2021, combined audit compliance reports for 1 December 2020 to 15 October 2021

were examined to determine the timeliness of the provision of initial electrical connection date information for new connections.

Audit commentary

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

Alpine Energy directly receives connection paperwork for Mountain Power ICPs and updates the Mountain Power ICP database and registry to reflect the initial electrical connection date.

There were a total of 12 ICED updates, of which four updates were late during the audit period, these were checked and found three were delayed due to late notification and one was delayed due to not being updated when staff were on holiday.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 01-Dec-20 To: 15-Oct-21	Four ICPs late initial electrical connection date updates. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate because they mitigate risk most of the time, most initial electrical connection dates were populated on time. The audit risk rating is assessed to be low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Systems are now in place to prevent this from happening. The odd error is now caused by either a misunderstanding or due to being overlooked for simple reasons.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Systems in place to prevent such occurrences.		Ongoing	

3.6.

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The new connection process was examined. The registry list file as of 28 October 2021 and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were examined.

Audit commentary

ICPs will not be electrically connected without the agreement from the trader. Trader acceptance is confirmed during the application process, and a blanket approval is in place with Contact Energy.

All ICPs at “ready” have a proposed trader populated in the registry. Review of the registry list confirmed that no new shared unmetered load was created during the period. Review of the combined audit compliance reports confirmed that all ICPs were made “ready” after the trader had accepted responsibility.

Review of the registry list confirmed that shared unmetered load is not recorded for any ICPs on Mountain Power’s network. Mountain Power does not intend to supply shared unmetered load.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

The new connection process was examined in **section 3.2**. The registry list file as of 285 October 2021, and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were reviewed to determine compliance.

Audit commentary

3.8. As discussed in **section 3.2**, Mountain Power has a step in the new connections process to ensure a trader accepts responsibility and is recorded in the registry. The list file confirmed that all ICPs at the “ready” status had a trader nominated.

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

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

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

Audit observation

The new connection process was examined in **section 3.2**. The registry list file as of 28 October 2021 and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were reviewed to determine compliance.

Audit commentary

No requests from MEP's have been received to temporarily electrically connect an ICP and no ICPs have been temporarily electrically connected during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.30

Code related audit information

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

No new NSPs have been created by Mountain Power during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.30A and 10.30B

Code related audit information

- 3.10. A distributor may only temporarily electrically connect an NSP that is not a point of connection to the grid if requested by an MEP for a purpose set out in clause 10.30A(3), and the MEP:
- has been authorised to make the request by the reconciliation participant responsible for the NSP; and
 - the MEP has an arrangement with that reconciliation participant to provide metering services.

A distributor may only electrically connect an NSP if:

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

Audit observation

The NSP table was examined.

Audit commentary

No new NSPs have been created by Mountain Power during the audit period.

Audit outcome

Compliant

3.11.

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

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 process for the creation of ICPs was examined.

Audit commentary

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

Audit outcome

Compliant

Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

The list file as of 28 October 2021, was examined to confirm whether all active ICPs have a single loss category.

Audit commentary

Each active ICP only has a single loss category, which clearly identifies the relevant loss factor.

Alpine Energy records the loss factor advised by Mountain Power. Loss factors are known at the time of ICP creation, because there is only one loss category per NSP.

Mountain Power periodically checks that loss factors are correctly assigned, including that they are valid for the ICP's NSP.

Audit outcome

Compliant

Management of "new" status (Clause 13 Schedule 11.1)

3.13.

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 registry list file as of 328 October 2021, and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were reviewed to determine compliance.

Audit commentary

Alpine Network creates all ICPs at the "ready" status. There were no ICPs at the "new" status. Monitoring of ICPs with the "new" and "ready" status is discussed in **section 3.14**.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

- 3.14. *If an ICP has had the status of “New” or has had the status of “Ready” for 24 months or more:*
- *the distributor must ask the trader who intends to trade at the ICP whether the ICP should continue to have that status (Clause 15(2)(a) of Schedule 11.1)*
 - *the distributor must decommission the ICP if the trader advises that the ICP should not continue to have that status (Clause 15(2)(b) of Schedule 11.1).*

Audit observation

The management of ICPs at the “new” and “ready” status was examined. The registry list file as of 28 October 2021, and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

Audit commentary

Examination of the list file found no ICPs at “new” status, and two ICPs at “ready” status. Two of the ICPs had been at “ready” status for more than two years, these were checked during the last audit, and it was confirmed that they are still required. No change because owners overseas due to covid.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

The registry list file as of 28 October 2021 was examined to determine compliance.

Audit commentary

Review of the registry list confirmed there are no embedded generators with a capacity greater than 10MW that require specific loss category codes.

Audit outcome

Compliant

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

Processes were examined for the connection of ICPs and NSPs.

Audit commentary

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

Audit outcome

Compliant

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

- 3.17. **Code reference**

Clause 10.30C and 10.31C

Code related audit information

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

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

Audit observation

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

Audit commentary

No ICPs were disconnected or electrically disconnected during the audit period. Alpine Energy understands their responsibilities in relation to this clause. Alpine Energy on behalf of Mountain Power only conducts electrical disconnection for safety, and they only conduct disconnection where ICPs are to be decommissioned.

- 3.18.

Audit outcome

Compliant

Meter bridging (Clause 10.33C)

Code reference

Clause 10.33C

Code related audit information

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

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

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

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

Audit observation

The Mountain Power process for bridging meters was examined.

Audit commentary

Alpine Energy may receive a call from a customer after hours, to investigate 'no power' on behalf of Mountain Power. Alpine Energy will arrange a job to the site which may result in bridging the meter if required. Alpine Energy informs the trader that the meter has been bridged and requests a Service Request to unbridge the meter. The Service Request is issued to the contractor by the trader to unbridge and replace the meter. No meters were bridged during the audit period.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

Changes to registry information (Clause 8 Schedule 11.1)

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The management of registry updates was reviewed.

The registry list file as of 28 October 2021, and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were reviewed to determine compliance.

A diverse sample of a minimum of ten (or all if there were less than ten examples) backdated events by event type were reviewed to determine the reasons for the late updates.

Audit commentary

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

Update	Date	Late	% Compliant	Average Days
Address	2019	43	5.6%	-
	2020	Nil	100%	-
	2021	Nil	100%	-
Price Codes	2019	8	60%	-
	2020	4	77.78%	92
	2021	20	30%	30.4
Status	2019	Nil	100%	-
	2020	Nil	100%	-
	2021	Nil	Has not occurred	-

Update	Date	Late	% Compliant	Average Days
Network (excl New Connection & Distributed Generation)	2019	17	5.6%	-
	2020	Nil	100%	-
	2021	Nil	100%	-
Distributed Generation	2020	3	0%	-
	2021	Nil	100%	-
NSP changes	2020	Nil	100%	-
	2021	Nil	100%	-

Address events

19 address updates not relating to initial population of address data for new connections were identified. All updates were made within three business days of the event date.

Pricing events

The combined audit compliance reporting found 20 late pricing updates, a sample of five were checked and found these were due to late notification from the trader.

Status events

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

No status updates were identified, apart from updates to “ready” status for new connections which are discussed in **section 3.4**.

Distributed Generation

The distributed generation process is described in **section 4.6**. There was no distributed generation installed during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 07-Sep-19 To: 30-Nov-20	20 late price code changes. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate. Changes are made as soon as Mountain Power are aware, but this is not always within the required timeframe. The audit risk rating is assessed to be low as the volume of late updates is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
Non-compliance due primarily to trader not making request until after 3 working day timeframes. Not really our fault, is it?		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See above.		Ongoing	

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 registry list as of 28 October 2021 and NSP table were compared to determine compliance.

Audit commentary

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

The registry list was analysed and no NSP assignment issues were identified.

Audit outcome

Compliant

Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

- 4.3. *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 three business days after receiving a request for that information.*

Audit observation

The management of customer queries was examined.

Audit commentary

Requests for ICP identifiers are not a common occurrence, however Mountain Power or Alpine Energy provide the information if the requesting party has authorisation.

Audit outcome

Compliant

ICP location address (Clause 2 Schedule 11.1)

- 4.4. **Code reference**

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to determine correct and unique addresses was examined. The registry list as of 28 October 2021 was reviewed to determine compliance.

Audit commentary

Addresses are confirmed as part of the application process. The completeness, accuracy, and uniqueness of addresses was checked.

The audit compliance report did not report any ICPs with duplicate addresses.

- 4.5. **Audit outcome**

Compliant

Electrically disconnecting an ICP (Clause 3 Schedule 11.1)

Code reference

Clause 3 Schedule 11.1

Code related audit information

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

Audit observation

This was examined as part of the new connection process.

Audit commentary

For new connections, this clause is well understood. All new applications are checked to ensure the electrical disconnection clauses are met, each ICP has a separate connection.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

4.6.

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 the actual chargeable capacity of the ICP in any other case*
- *the distributor installation details for the ICP determined by the price category code assigned to the ICP (if any), which may be placeholder distributor installation details only if the distributor is unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (Clause 7(1)(i) of Schedule 11.1)*
- *the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (Clause 7(1)(j) of Schedule 11.1)*
- *the status of the ICP (Clause 7(1)(k) of Schedule 11.1)*
- *designation of the ICP as “Dedicated” if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under Clause 7(1)(b) of Schedule 11.1, or the ICP is a point of connection between a network and an embedded network (Clause 7(1)(l) of Schedule 11.1)*
- *if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (Clause 7(1)(m) of Schedule 11.1)*
- *if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (Clause 7(1)(n) of Schedule 11.1)*
- *if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):*
 - a) the nameplate capacity of the generator; and*
 - b) the fuel type,*
- *the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

Audit observation

The management of registry information was reviewed.

The registry list as of 28 October 2021, and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were reviewed to determine compliance. A sample using the typical characteristics methodology of data discrepancies, or all if there were less than ten ICPs, were checked.

Audit commentary

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

Dedicated NSP

The recommendation from the previous audit has been actioned to change dedicated status set to “Y”. There are now 283 active ICPs with the dedicated flag set to ‘Y’. There are still 17 active ICPs with dedicated status set to “N”, I repeat the recommendation from the last audit.

Recommendation	Description	Audited party comment	Remedial action
Dedicated NSP status	Change dedicated status to "Y".	All new ICP paperwork to be checked in the system and against existing database/s for this to not occur in the future.	Identified

Initial electrical connection dates

Alpine Energy receives new connection information directly from the contractor and uses this to update the initial electrical connection date in the Mountain Power ICP database and on the registry. Connections on Mountain Power's network are normally completed by one contractor who connects both the network and meter, and the initial electrical connection date is provided on their paperwork.

There was one ICP with no initial electrical connection date recorded, this has been updated on the registry during the audit. This is recorded as a non-compliance below and in **sections 3.3** and **2.1**.

The audit compliance reporting identified one ICP with date inconsistencies between the initial electrical connection date, the active date and the meter certification date. This was a data entry error for the IECD and has been corrected during the audit.

Unmetered load

Three ICPs have unmetered load connected, and both distributor and trader unmetered load details have been populated on the registry.

The previous two audits have identified ICPs 0000010005MO321 and 0000020005MO20D have distributed unmetered load, so the unmetered load values are not expected to be recorded as these are reconciled using a database. 0000022015MOBE0 is a telecommunications cabinet and does not have the unmetered load details populated in a format where the loads can be compared between Mountain Power and the trader:

Unmetered Load Details -retailer	Unmetered load details - Distributor
0230;24.0;Telecom cabinet	Telecom Cabinet

I repeat again the recommendation that the Electricity Authority's recommended format be adopted so the load value can be confirmed correct. This is important as the trader's use these details to confirm unmetered loads when they switch traders. The current trader is likely to be able to confirm this.

Recommendation	Description	Audited party comment	Remedial action
Distributor unmetered load details	Liaise with the trader to confirm load details and then update the unmetered load details for 0000022015MOBE0.	Noted and confirmed with trader	Identified

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1 From: 01-Dec-20 To: 15-Oct-21	One ICP with the incorrect initial electrical connection date recorded. One ICP became active during the audit period but had no initial electrical connection date populated. Actual impact: Low Audit history: Three times previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as they will eliminate risk to an acceptable level. The audit risk rating is low as there is little to no impact to the market as a result of the discrepancies found.		
Actions taken to resolve the issue		Completion date	Remedial action status
Followed up again with trader and resolved.		Completed	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See above		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. The audit compliance reporting and the registry list were reviewed to determine compliance.

Audit commentary

Alpine Energy provides information as Mountain Power's agent. As discussed in **section 3.4**, all ICPs had pricing information recorded on the registry prior to initial electrical connection.

Audit outcome

Compliant

GPS coordinates (Clause 7(8) and (9) Schedule 11.1)

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

- 4.8. *If a distributor populates the GPS coordinates (optional), it must meet the NZTM2000 standard in a format specified by the Authority.*

Audit observation

The registry list as of 28 October 2021 was examined to confirm compliance.

Audit commentary

No ICPs have GPS coordinates recorded.

Audit outcome

Compliant

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

4.9. Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

Processes to manage ICPs at “ready” status were reviewed.

The registry list file as of 28 October 2021, and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were reviewed to determine compliance.

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

Audit commentary

The new connection process ensures that a trader has taken responsibility for ICPs before the status is changed to “ready”.

The Mountain Power ICP database will only allow one price category, and the requirement to ensure that an ICP has a single price category will always be met. Mountain Power periodically checks that price categories are correctly assigned, including that they are valid for the ICP’s NSP.

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

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

Processes to manage the distributor status were reviewed.

The registry list file as of 28 October 2021, and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were reviewed to determine compliance.

Audit commentary

The “distributor” status was not used at all during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The registry list file as of 28 October 2021, and the combined audit compliance reports for the audit period from 1 December 2020 to 15 October 2021 were reviewed to determine compliance.

Audit commentary

Alpine Energy decommissions ICPs as Mountain Power’s agent. ICPs are only decommissioned once an application for decommissioning is received, the trader has moved the ICP to “ready for decommissioning” status, and confirmation that the ICP has been decommissioned is received. It is very rare for an ICP to be decommissioned on the Mountain Power network.

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

Audit outcome

Compliant

Maintenance of price category codes (Clause 23 Schedule 11.1)

Code reference

Clause 23 Schedule 11.1

4.12. **Code related audit information**

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

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

A price category code takes effect on the specified date.

Audit observation

The price category code table on the registry was examined.

Audit commentary

No new price category codes have been created during the audit period.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

The loss category code table on the registry was examined.

Audit commentary

No new loss categories were created during the audit period.

Audit outcome

Compliant

Updating loss factors (Clause 22 Schedule 11.1)

5.2.

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

The loss category code table on the registry was examined.

Audit commentary

The loss category code table on the registry was examined. Mountain Power did not update any loss factor values during the audit period.

Audit outcome

Compliant

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

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

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

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

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

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

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

No NSPs were created or decommissioned during the audit period.

- 6.2. **Audit outcome**

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was examined.

Audit commentary

No NSPs were created or decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

Audit observation

The NSP table was examined.

Audit commentary

No new balancing areas were created during the audit period.

Audit outcome

6.4. Compliant

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was examined.

Audit commentary

No new NSPs were created during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 24(2) and (3) Schedule 11.1

6.5.

Code related audit information

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

Audit observation

The NSP table was examined.

Audit commentary

No balancing areas were changed during the audit period.

Audit outcome

Compliant

6.6.

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was examined.

Audit commentary

The NSP table was examined. No ICPs have changed to become an NSP during the audit period.

Audit outcome

Compliant

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

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

Audit observation

The NSP table was examined.

Audit commentary

Mountain Power has not acquired any networks during the audit period.

Audit outcome

Compliant

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

6.8.

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

Processes to ensure that meters are present and certified were reviewed. The NSP table was examined.

Audit commentary

The MEP provides certification details to Mountain Power when they change, and Mountain Power updates the information on the NSP table.

Both NSPs have current meter certification, and no updates occurred during the audit period.

Audit outcome

Compliant

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

6.9. *If the network owner proposes the creation of a new NSP which is not a point of connection to the grid it must:*

- *assume responsibility for being the metering equipment provider (Clause 10.25(2)(a)(i)); or*
- *contract with a metering equipment provider to be the MEP (Clause 10.25(2)(a)(ii)); and*
- *no later than 20 business days after identifying the MEP advise the reconciliation manager in the prescribed form of the reconciliation participant for the NSP (Clause 10.25(2)(b)); and*
- *no later than 5 business days after the date of certification of each metering installation, advise the reconciliation manager of*
 - a) the MEP for the NSP (Clause 10.25(2)(c)(i)); and*
 - b) the NSP of the certification expiry date (Clause 10.25(2)(c)(ii)).*

Audit observation

The NSP table was examined.

Audit commentary

No NSPs were created during the audit period.

Audit outcome

Compliant

6.10.

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

Mountain Power has not acquired any networks during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The NSP table was examined.

Audit commentary

There were no MEP changes during the audit period.

Audit outcome

Compliant

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

6.12.

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

There were no ICP transfers during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The NSP table was examined.

Audit commentary

There were no ICP transfers during the audit period.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

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

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

Audit

The registry list registry list as of 28 October 2021 was examined to determine compliance.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list registry list as of 28 October 2021 was examined to determine compliance.

Audit commentary

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

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

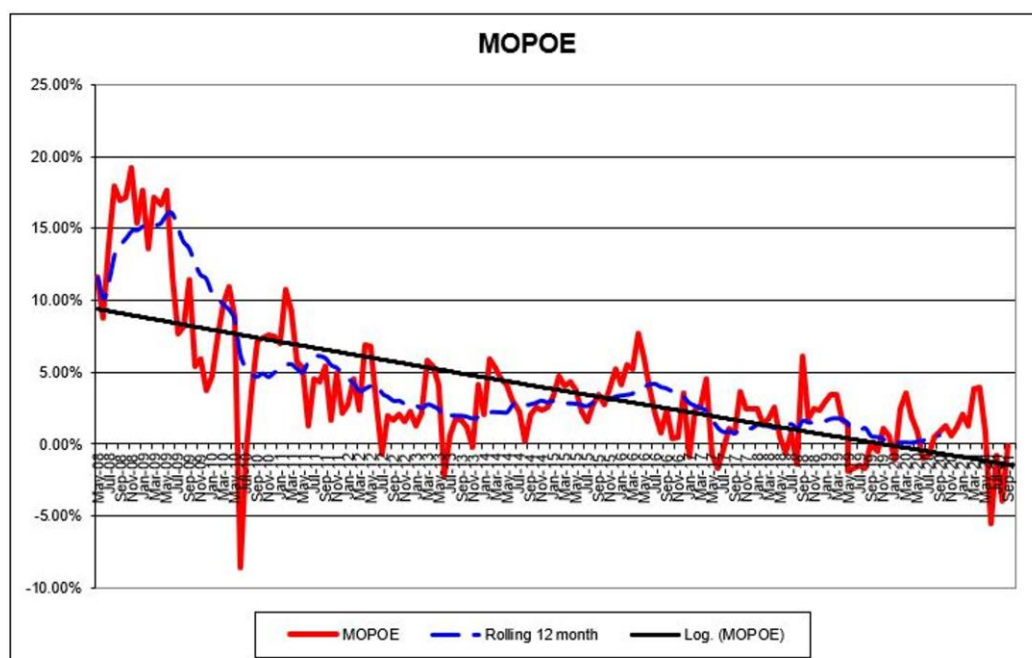
Audit observation

The “Guidelines on the calculation and the use of loss factors for reconciliation purposes” was published on 26 June 2018. 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. Alpine Energy’s loss factors were expected to be updated in March 2021, but this is still in progress. Once this review is complete, Mountain Power intends to review their own loss factors. Mountain Power’s loss factors have not changed since 2006.

The UFE graph supplied by the Electricity Authority indicates that the 14-month UFE is currently around 1.5%.



Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 8.1 With: Clause 11.2 From: 01-Dec-20 To: 15-Oct-21	Loss factors are not accurate as indicated by the reconciliation losses. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate because although the loss factors are not adjusted to reflect reconciliation losses, they are aligned with the parent network. The loss factors are monitored, and the network is configured to minimise technical losses. UFE is allocated to participants; therefore, there is no adverse impact on settlement. However, traders may use published losses in pricing decisions, therefore the use of inaccurate loss factors could lead to incorrect pricing, which is considered to have a low impact.		
Actions taken to resolve the issue		Completion date	Remedial action status
Ongoing vigilance to monitor losses on both networks. New loss factors to be updated once Alpine Energy have completed their review, expected to be mid 2022.		2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
See above		2022	

CONCLUSION

Two areas of improvement were identified and should be relatively easy to rectify:

- add the Utilities Disputes information on all customer facing emails, and
- provide Alpine Energy with Mountain Power seals for use in the field.

The audit found eight non-compliances and repeats three recommendations and makes two new recommendations. Overall, the level of compliance has improved during the audit period. Processes have been improved including additional checking of paperwork received from field work.

The audit risk rating of 16 indicates that the next audit be due in 12 months. This is an improvement from the score of 22 recorded in the last audit. Many of the non-compliances relate to only one to two ICPs. I have considered this in conjunction with Mountain Power's responses, the size of the network and recommend that the next audit be in 18 months' time.

PARTICIPANT RESPONSE

MOPO has further improved its systems since the previous Audit completed 9 months ago. Many of the issues raised in this Audit are historical whilst others are acknowledged as being during the audit period. We are continually improving our relationship with AEL and the Netcon linemen so that all future connection paperwork is inputted as required and checked if necessary.

The two new non-compliance issues that have been raised are considered immaterial by Mountain Power. Firstly, the requirement for MOPO seals in the very odd occasion of needing to break seals is a very minor issue. We will resolve this however this is the first time we have heard about this. Secondly the Utilities Disputes details is an irrelevant point as we have minimal dealings with end users. There may be one or two mass emails annually advising consumers that there will be a power outage due to an upgrade or required works somewhere on the network. To allocate 5 breach risk points for not highlighting the details of whom to contact at the Utilities Disputes is considered nit-picky. Why not allocate 1 or 2 points instead of 5?

Once again it is our view that all of these other non-compliance examples are immaterial. The true consequence of our non-compliances is negligible in that they affect nobody.

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