

ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTED UNMETERED LOAD AUDIT REPORT

VERITEK

For

SOUTH WAIKATO DISTRICT COUNCIL
AND

MERIDIAN ENERGY

NZBN: 9429037696863

Prepared by: Rebecca Elliot

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Date audit report completed: 19 May 2023

Audit report due date: 30-May-23

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EXECUTIVE SUMMARY

This audit of the **South Waikato District Council Unmetered Streetlights (SWDC)** DUML database and processes was conducted at the request of **Meridian Energy Limited (Meridian)**, in accordance with clause 15.37B. The purpose of this audit is to verify that the volume information is being calculated accurately, and that profiles have been correctly applied.

The audit was conducted in accordance with the audit guidelines for DUML audits version 1.1.

Odyssey Energy (2009) Limited (Odyssey) manages the installation, maintenance and database management of all SWDC lighting connections. The field contractor is McKay Electrical.

The volume of lights in the database has decreased during the audit period as the Waka Kotahi lights have been removed and are being reconciled in the Waka Kotahi Waikato database.

The field audit confirmed that the database is within the +/-5% threshold. Some incorrect wattages were found, and these have been passed to Odyssey to review and correct.

Overall, the database has a high level of accuracy and has robust controls in place. The audit found three non-compliance issues and makes no recommendations. The future risk rating of three indicates that the next audit be completed in 36 months. This database is well managed and has a consistently high level of compliance and I agree with this recommendation.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Control s	Audit Risk Rating	Breach Risk Rating	Remedial Action
Deriving submission information	2.1	11(1) of Schedule 15.3	One item of load with the incorrect ballast applied resulting in a very small amount of over submission. Submission is based on a snapshot and does not consider historic adjustments.	Strong	Low	1	Identified
Database accuracy	3.1	15.2 and 15.37B(b)	One item of load with the incorrect ballast applied resulting in a very small amount of over submission. 13x 90W metered LED lights incorrectly recorded against an unmetered ICP.	Strong	Low	1	Identified
Volume information accuracy	3.2	15.2 and 15.37B(c)	One item of load with the incorrect ballast applied resulting in a very small amount of over submission. Submission is based on a snapshot and does not consider historic adjustments.	Strong	Low	1	Identified
Future Risk Rating						3	

Future risk rating	1-3	4-6	7-8	9-17	18-26	27+
Indicative audit frequency	36 months	24 months	18 months	12 months	6 months	3 months

RECOMMENDATIONS

Subject	Section	Description	Action
		Nil	

ISSUES

Subject	Section	Description	Issue
		Nil	

1. ADMINISTRATIVE

1.1. Exemptions from Obligations to Comply with Code

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

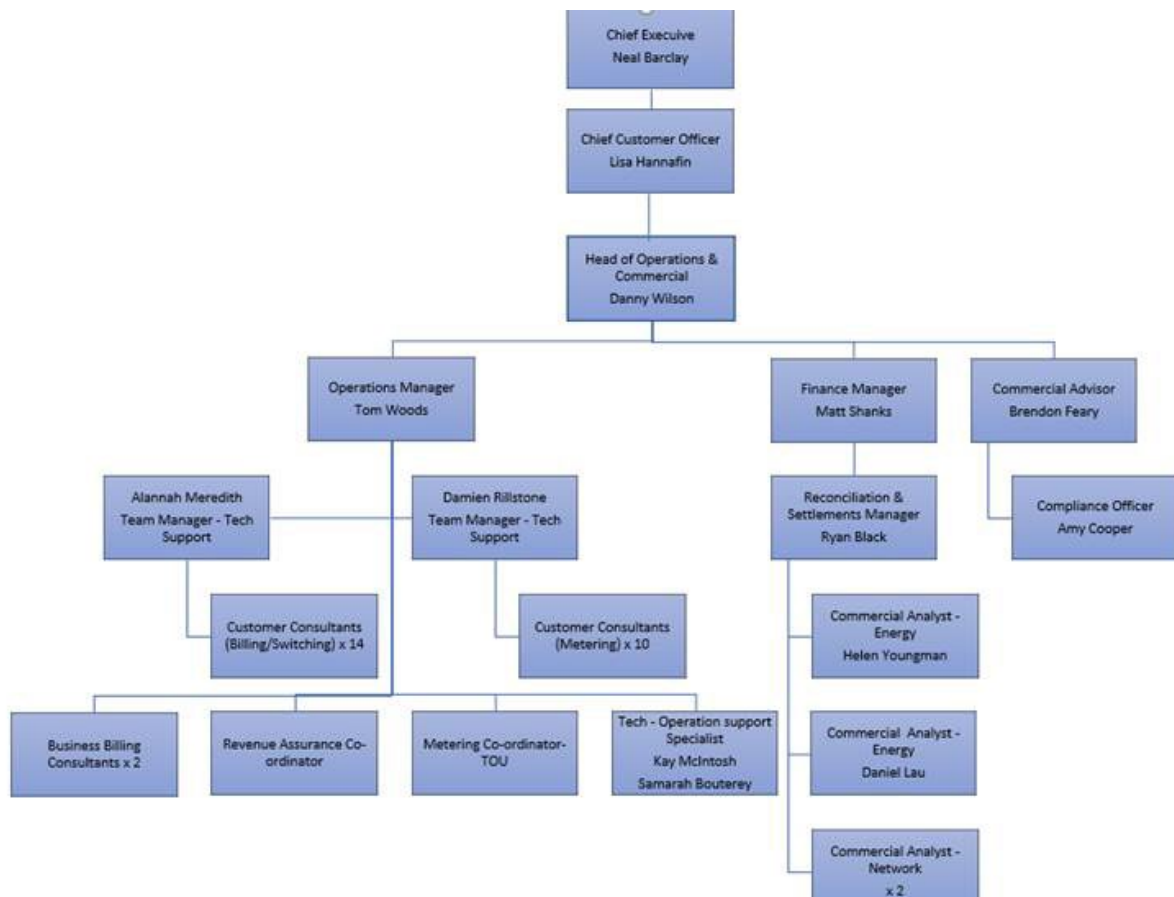
Section 11 of the Electricity Industry Act provides for the Electricity Authority to exempt any participant from compliance with all or any of the clauses.

Audit commentary

Meridian confirms that there are no exemptions in place relevant to the scope of this audit.

1.2. Structure of Organisation

Meridian provided the relevant organisational structure:



1.3. Persons involved in this audit

Auditor:

Rebecca Elliot

Veritek Limited

Electricity Authority Approved Auditor

Other personnel assisting in this audit were:

Name	Title	Company
David Raven	Street light Consultant	Odyssey
Melanie Matthews	Quality and Compliance Advisor	Meridian

1.4. Hardware and Software

Section 1.8 shows that the SQL database used for the management of DUML is remotely hosted by thinkproject New Zealand Ltd. The database is commonly known as “RAMM” which stands for “Roading Asset and Maintenance Management”. The specific module used for DUML is called RAMM Contractor.

Database back-up is in accordance with standard industry procedures. Access to the database is secure by way of password protection.

Systems used by the trader and their agent to calculate submissions are assessed as part of their reconciliation participant audits.

1.5. Breaches or Breach Allegations

There are no breach allegations relevant to the scope of this audit.

1.6. ICP Data

ICP Number	Description	NSP	Profile	Number of items of load	Database wattage (watts)
1000499769PCCB7	SOUTH WAIKATO STREETLIGHTS, STREETLIGHTS, WAIKATO 2392	HIN0331	DST	736	33,359
1000571665PC2BC	South Waikato District Council Streetlights	KIN0331	DST	1,5277	68,672
TOTAL					

The light count has reduced during the audit period as ICP 0000036463HR791 is no longer reconciled as part of this database as these assets are now being reconciled as part of the Waka Kotahi Waikato RAMM database. There were also some Waka Kotahi assets recorded against the two SWDC ICPs that have been removed and are being reconciled as part of the Waka Kotahi Waikato RAMM database.

1.7. Authorisation Received

All information was provided directly by Meridian or Odyssey.

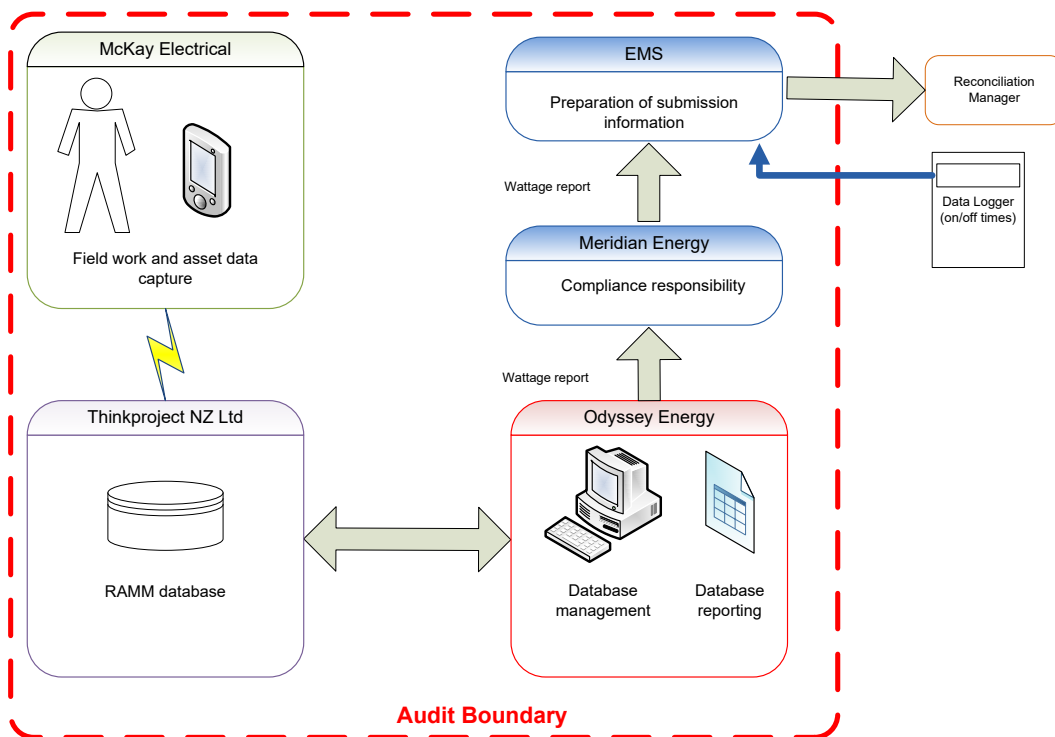
1.8. Scope of Audit

This audit of the **South Waikato District Council Unmetered Streetlights (SWDC)** DUML database and processes was conducted at the request of **Meridian Energy Limited (Meridian)**, in accordance with clause 15.37B. The purpose of this audit is to verify that the volume information is being calculated accurately, and that profiles have been correctly applied.

The audit was conducted in accordance with the audit guidelines for DUML audits version 1.1, which became effective on 1 June 2017.

The database is remotely hosted by thinkproject New Zealand Ltd and is managed by Odyssey, on behalf of SWDC, who is Meridian's customer. McKay Electrical, who is a contractor to Odyssey, and is engaged by SWDC, conducts the fieldwork and asset data capture. Reporting is provided to Meridian on a monthly basis by Odyssey.

The scope of the audit encompasses the collection, security and accuracy of the data, including the preparation of submission information based on the database reporting. The diagram below shows the audit boundary for clarity.



The field audit was undertaken of a statistical sample of 240 items of load on 14th May 2023.

1.9. Summary of previous audit

I reviewed a copy of the last audit report undertaken by Steve Woods of Veritek Limited in May 2021. That audit found three non-compliances and made no recommendations. The table below details the status of compliance against the clauses.

Table of Non-Compliance

Subject	Section	Clause	Non-compliance	Status
Deriving submission information	2.1	11(1) of Schedule 15.3	Submission is based on a snapshot and does not consider historic adjustments.	Still existing
Database accuracy	3.1	15.2 and 15.37B(b)	1,303 LED items of load have insufficient detail in the description to confirm the accuracy of the wattage.	Still existing
Volume information accuracy	3.2	15.2 and 15.37B(c)	Submission is based on a snapshot and does not consider historic adjustments.	Still existing

1.10. Distributed unmetered load audits (Clause 16A.26 and 17.295F)

Code reference

Clause 16A.26 and 17.295F

Code related audit information

Retailers must ensure that DUML database audits are completed:

- 1. by 1 June 2018 (for DUML that existed prior to 1 June 2017)*
- 2. within three months of submission to the reconciliation manager (for new DUML)*
- 3. within the timeframe specified by the Authority for DUML that has been audited since 1 June 2017.*

Audit observation

Meridian have requested Veritek to undertake this streetlight audit.

Audit commentary

This audit report confirms that the requirement to conduct an audit has been met for this database within the required timeframe.

Audit outcome

Compliant

2. DUML DATABASE REQUIREMENTS

2.1. Deriving submission information (Clause 11(1) of Schedule 15.3)

Code reference

Clause 11(1) of Schedule 15.3

Code related audit information

The retailer must ensure the:

- *DUML database is up to date,*
- *methodology for deriving submission information complies with Schedule 15.5.*

Audit observation

The process for calculation of consumption was examined and the application of profiles was checked. The database was checked for accuracy.

Audit commentary

Meridian reconciles this DUML load using the DST profile. The total volume submitted to the Reconciliation Manager is based on a monthly database report derived from RAMM and the “burn time” which is sourced from data loggers installed on the Unison and Powerco networks. Meridian supplies EMS with the capacity information and EMS calculates the kWh figure for each ICP and includes this in the relevant AV080 file. This process was audited during Meridian’s reconciliation participant audit and the EMS agent audit.

The capacities supplied to EMS for February 2023 were checked and found a difference for both ICPs:

- 1000571665PC2BC - this was due to the incorrect ICP being recorded against 13 x 90W LED lights; these are metered and the ICP is being updated, and
- 1000499769PCCB7 - two lights that have been removed in the field but these were still present in the data extract provided to Veritek for the field audit; these have now been removed.

The monthly wattage report had the correct volumes recorded therefore I confirm that the submission calculations are correct.

As recorded in **section 3.1**:

- in absolute terms, total annual consumption is deemed to be accurate, and
- 1 x 150W HPS light should have a ballast of 18W but has 28W applied.

Submission is based on a snapshot of the database at the end of the month and does not consider historic adjustments, or the fact that lights can be livened before they are entered into the database.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: Clause 11(1) of Schedule 15.3 From: 28-May-21 To: 28-Feb-23	One item of load with the incorrect ballast applied resulting in a very small amount of over submission. Submission is based on a snapshot and does not consider historic adjustments. Potential impact: Low Actual impact: Low Audit history: Multiple times previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong because they mitigate risk to an acceptable level. The impact is assessed to be low, based on the small impact on settlement.		
Actions taken to resolve the issue		Completion date	Remedial action status
South Waikato District Council has been informed of the inaccuracy and they are awaiting on confirmation from their contractor before amending the database.		24/5/2023	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Meridian will follow up with South Waikato District Council for confirmation on the inaccuracy We have assessed our processes and tools to account for historic lamp installations and changes to the database at a daily level. There are checks in place comparing month to month data to identify any material changes and confirm details for these. These are accounted for in monthly submission.		24/6/2023 Ongoing	

2.2. ICP identifier and items of load (Clause 11(2)(a) and (aa) of Schedule 15.3)

Code reference

Clause 11(2)(a) and (aa) of Schedule 15.3

Code related audit information

The DUMML database must contain:

- *each ICP identifier for which the retailer is responsible for the DUMML,*
- *the items of load associated with the ICP identifier.*

Audit observation

The database was checked to confirm an ICP was recorded against each item of load.

Audit commentary

The RAMM database contains the relevant ICP identifiers for all items of load.

Audit outcome

Compliant

2.3. Location of each item of load (Clause 11(2)(b) of Schedule 15.3)

Code reference

Clause 11(2)(b) of Schedule 15.3

Code related audit information

The DUML database must contain the location of each DUML item.

Audit observation

The database was checked to confirm the location is recorded for all items of load.

Audit commentary

The database contains the nearest street address, pole numbers and Global Positioning System (GPS) coordinates for each item of load, and users in the office and field can view these locations on a mapping system.

All items of load had the GPS location recorded except one. Pole number 387701 has no GPS co-ordinates but has the RPS location (meters from the end of the road) and street address, so is locatable.

Audit outcome

Compliant

2.4. Description and capacity of load (Clause 11(2)(c) and (d) of Schedule 15.3)

Code reference

Clause 11(2)(c) and (d) of Schedule 15.3

Code related audit information

The DUML database must contain:

- *a description of load type for each item of load and any assumptions regarding the capacity*
- *the capacity of each item in watts.*

Audit observation

The database was checked to confirm that it contained a field for lamp type and wattage capacity and included any ballast or gear wattage and that each item of load had a value recorded in these fields.

Audit commentary

The database contains two records for wattage, firstly the lamp wattage and secondly the gear wattage, which represents ballast losses. The gear wattage is recorded in the database which meets the requirements of this clause. I found no blank records. The accuracy of the description and wattages recorded is discussed in **section 3.1**.

Audit outcome

Compliant

2.5. All load recorded in database (Clause 11(2A) of Schedule 15.3)

Code reference

Clause 11(2A) of Schedule 15.3

Code related audit information

The retailer must ensure that each item of DUML for which it is responsible is recorded in this database.

Audit observation

The field audit was undertaken of a statistical sample of 240 items of load.

Audit commentary

The field audit findings are detailed in the table below:

Discrepancy	Field count
68W LED labelled as 80W in the field	11
78W LED labelled as 80W in the field	10
68W LED labelled as 70W in the field	36
Two lights in Logan St enclosure not found in the field	-2

No additional lights were found in the field. The database was confirmed to be within the allowable accuracy threshold as detailed in **section 3.1**.

Audit outcome

Compliant

2.6. Tracking of load changes (Clause 11(3) of Schedule 15.3)

Code reference

Clause 11(3) of Schedule 15.3

Code related audit information

The DUML database must track additions and removals in a manner that allows the total load (in kW) to be retrospectively derived for any given day.

Audit observation

The process for tracking of changes in the database was examined.

Audit commentary

The RAMM database functionality achieves compliance with the code.

The change management process and the compliance of the database reporting provided to Meridian is detailed in **sections 3.1** and **3.2**.

Audit outcome

Compliant

2.7. Audit trail (Clause 11(4) of Schedule 15.3)

Code reference

Clause 11(4) of Schedule 15.3

Code related audit information

The DUML database must incorporate an audit trail of all additions and changes that identify:

- *the before and after values for changes*
- *the date and time of the change or addition*
- *the person who made the addition or change to the database.*

Audit observation

The database was checked for audit trails.

Audit commentary

The RAMM database has a complete audit trail of all additions and changes to the database information.

Audit outcome

Compliant

3. ACCURACY OF DUML DATABASE

3.1. Database accuracy (Clause 15.2 and 15.37B(b))

Code reference

Clause 15.2 and 15.37B(b)

Code related audit information

Audit must verify that the information recorded in the retailer's DUML database is complete and accurate.

Audit observation

The DUML Statistical Sampling Guideline was used to determine the database accuracy. The table below shows the survey plan.

Plan Item	Comments
Area of interest	South Waikato area
Strata	<p>The database contains items of load in South Waikato District Council area.</p> <p>The council area covers two different networks of Powerco and a small number of lights on the Unison network.</p> <p>The processes for the management of are the same across the district but I decided to place the items of load into four strata, as follows:</p> <ol style="list-style-type: none"> 1. Road name A-B, 2. Road name C-J, 3. Road name K-O, and 4. Road name P-Z.
Area units	I created a pivot table of the roads in each area, and I used a random number generator in a spreadsheet to select a total of 49 sub-units.
Total items of load	240 items of load were checked.

Wattages were checked for alignment with the published standardised wattage table produced by the Electricity Authority.

Audit commentary

Database accuracy based on the field audit

A field audit was conducted of a statistical sample of 240 items of load. The “database auditing tool” was used to analyse the results, which are shown in the table below.

Result	Percentage	Comments
The point estimate of R	100.1	Wattage from survey is higher than the database wattage by 0.1%
R _L	98.8	With a 95% level of confidence, it can be concluded that the error could be between -0.2% and +0.7%
R _H	101.0	

These results were categorised in accordance with the “Distributed Unmetered Load Statistical Sampling Audit Guideline”, effective from 1 February 2019 and the table below shows that Scenario A (detailed below) applies.

The conclusion from Scenario A is that the database is considered accurate because the error is less than +/- 5%.the same as the database indicates.

There is a 95% level of confidence that the installed capacity is between 1.0 kW lower to 1.0 kW higher than the database.

In absolute terms, total annual consumption is estimated to be 300 kWh higher than the DUML database indicates.

There is a 95% level of confidence that the annual consumption is between 5,200 kWh p.a. lower to 4,600 kWh p.a. higher than the database indicates.

Scenario	Description
A - Good accuracy, good precision	<p>This scenario applies if:</p> <p>(a) R_H is less than 1.05; and</p> <p>(b) R_L is greater than 0.95</p> <p>The conclusion from this scenario is that:</p> <p>(a) the best available estimate indicates that the database is accurate within +/- 5 %; and</p> <p>(b) this is the best outcome.</p>
B - Poor accuracy, demonstrated with statistical significance	<p>This scenario applies if:</p> <p>(a) the point estimate of R is less than 0.95 or greater than 1.05</p> <p>(b) as a result, either R_L is less than 0.95 or R_H is greater than 1.05.</p> <p>There is evidence to support this finding. In statistical terms, the inaccuracy is statistically significant at the 95% level</p>
C - Poor precision	<p>This scenario applies if:</p> <p>(a) the point estimate of R is between 0.95 and 1.05</p> <p>(b) R_L is less than 0.95 and/or R_H is greater than 1.05</p> <p>The conclusion from this scenario is that the best available estimate is not precise enough to conclude that the database is accurate within +/- 5 %</p>

Lamp description and capacity accuracy

The last audit recorded that the database did not contain sufficient lamp description details. The database extract provided for this audit included the field with the detailed lamp descriptions. Compliance is confirmed.

All but one ballast figure was correct:

- 1 x 150W HPS light should have a ballast of 18W but has 28W applied. This is recorded as non-compliance below.

NZTA lighting

NZTA lighting has been removed during the audit period and is now reconciled in the Waka Kotahi Waikato RAMM database audit, hence the reduction in number of items of load in this audit.

ICP accuracy

As detailed in **section 2.1**, examination of the database identified 13 x 90W LED lights that are metered but are incorrectly recorded against the unmetered ICP. These are correctly being excluded in the monthly wattage report, and the correct ICP is being added to the database.

Location accuracy

The location details are accurate.

Change management process findings

The processes were reviewed for ensuring that changes in the field are notified through to Odyssey. McKay Electrical enters all field data via "Pocket RAMM" directly into RAMM Contractor.

Monthly wattage patrols are no longer being carried out as the light failure rate of LEDs is so low.

SWDC have a CMS system in place. This has the capability to dim lights but there are no plans at this point to do this. It is hoped that faults will be able to be reported from this.

There have been no new developments since the last audit and going forward all new streetlights will be connected to metered circuits.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.1 With: Clause 15.2 and 15.37B(b) From: 28-May-21 To: 28-Feb-23	One item of load with the incorrect ballast applied resulting in a very small amount of over submission. 13x 90W metered LED lights incorrectly recorded against an unmetered ICP. Potential impact: Low Actual impact: None Audit history: Three times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as they will mitigate risk to an acceptable level. The impact is assessed to be effectively none but only low is available to allocate.		
Actions taken to resolve the issue		Completion date	Remedial action status
South Waikato District Council has been informed of the inaccuracies and they are awaiting on confirmation from their contractor before amending the database.		24/5/2023	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Meridian will follow up with South Waikato District Council for confirmation on the inaccuracies.		26/6/2023	

3.2. Volume information accuracy (Clause 15.2 and 15.37B(c))

Code reference

Clause 15.2 and 15.37B(c)

Code related audit information

The audit must verify that:

- volume information for the DUML is being calculated accurately,
- profiles for DUML have been correctly applied.

Audit observation

The submission was checked for accuracy for the month the database extract was supplied. This included:

- checking the registry to confirm that the ICP has the correct profile and submission flag, and
- checking the database extract combined with the burn hours against the submitted figure to confirm accuracy.

Audit commentary

Meridian reconciles this DUML load using the DST profile. The total volume submitted to the Reconciliation Manager is based on a monthly database report derived from RAMM and the “burn time” which is sourced from data loggers installed on the Unison and Powerco networks. Meridian supplies EMS with the capacity information and EMS calculates the kWh figure for each ICP and includes this in the relevant AV080 file. This process was audited during Meridian’s reconciliation participant audit and the EMS agent audit.

The capacities supplied to EMS for February 2023 were checked and found a difference for both ICPs:

- 1000571665PC2BC - this was due to the incorrect ICP being recorded against 13 x 90W LED lights; these are metered and the ICP is being updated, and
- 1000499769PCCB7 - two lights that have been removed in the field were still present in the data extract provided to Veritek for the field audit; these have now been removed.

The monthly wattage report had the correct volumes recorded therefore I confirm that the submission calculations are correct.

As recorded in **section 3.1**:

- in absolute terms, total annual consumption is deemed to be accurate, and
- 1 x 150W HPS light should have a ballast of 18W but has 28W applied.

Submission is based on a snapshot of the database at the end of the month and does not consider historic adjustments or the fact that lights can be livened before they are entered into the database.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.2 With: Clause 15.2 and 15.37B(c) From: 28-May-21 To: 28-Feb-23</p>	<p>One item of load with the incorrect ballast applied resulting in a very small amount of over submission. Submission is based on a snapshot and does not consider historic adjustments. Potential impact: Low Actual impact: Low Audit history: Multiple times previously Controls: Strong Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<p>Low</p>	<p>The controls are rated as strong because they mitigate risk to an acceptable level. The impact is assessed to be low, based on the small impact on settlement.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>South Waikato District Council has been informed of the inaccuracy and they are awaiting on confirmation from their contractor before amending the database.</p>		<p>24/5/2023</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>Meridian will follow up with South Waikato District Council for confirmation on the inaccuracy We have assessed our processes and tools to account for historic lamp installations and changes to the database at a daily level. There are checks in place comparing month to month data to identify any material changes and confirm details for these. These are accounted for in monthly submission.</p>		<p>24/6/2023</p>	

CONCLUSION

Odyssey Energy (2009) Limited (Odyssey) manages the installation, maintenance and database management of all SWDC lighting connections. The field contractor is McKay Electrical.

The volume of lights in the database has decreased during the audit period as the Waka Kotahi lights have been removed and are being reconciled in the Waka Kotahi Waikato database.

The field audit confirmed that the database is within the +/-5% threshold. Some incorrect wattages were found, and these have been passed to Odyssey to review and correct.

Overall, the database has a high level of accuracy and has robust controls in place. The audit found three non-compliance issues and makes no recommendations. The future risk rating of three indicates that the next audit be completed in 36 months. This database is well managed and has a consistently high level of compliance and I agree with this recommendation.

PARTICIPANT RESPONSE

Meridian have reviewed this audit and their comments are recorded in the report. No further comments were provided.