

ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT

VERITEK

For

THE EMBEDDED NETWORK COMPANY
(TENC)

NZBN: 9429031389037

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EXECUTIVE SUMMARY

This distributor audit was conducted at the request of **The Embedded Network Company (TENC)** 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.

TENC's compliance is reliant on the compliance of Tenco as an agent, and their agent audit recorded that their processes are compliant.

NSP information

TENC has created 31 new embedded networks during the audit period, and ten existing embedded networks transferred in. ICPs for eight new NSPs were transferred from the parent network, and ICPs for ten existing embedded networks transferred from other distributors to TENC.

I found that Tenco has good processes to request the NSP metering, connection, and information it requires for NSP creation and ICP transfer and pass that information to the relevant parties. The process is complicated by changing connection/start dates particularly for new developments, and delays in receiving information like metering certifications from MEPS, and LE ICPs from parent networks.

Compliance with some of the code requirements for new and transferred ICPs was difficult to assess, because the reconciliation manager was unable to provide confirmation of when they received notifications relating to new and transferred NSPs from Tenco. The Authority is working with the reconciliation manager to ensure that this information can be efficiently provided for future audits. I assessed compliance using the best information I could reasonably obtain and have documented how compliance was assessed and any instances where my findings were inconclusive.

Overall, I found only a small number of late updates were caused by delays in Tenco completing their validation and update processes. Late updates were usually caused by delays in receiving information from other parties.

ICP information

There were a large number of registry updates to create new ICPs for new embedded networks and update existing ICP details.

Given the number of registry updates, a very small number were found to be inaccurate. Most inaccuracies were incorrect network event dates, and Tenco revised their process during the audit to ensure that correct event dates are applied in the future. Over 90% of changes to registry information were on time, and where updates were late it was generally because data inaccuracies were being detected and corrected, or other parties had provided information late.

Conclusion

The audit found 15 non-compliances and three recommendations are made. The next audit frequency table indicates an audit risk rating of 21 indicating that the next audit be due in six months. The non-compliances have a low materiality and single issues affecting a small number of ICPs or NSPs are recorded as non-compliance across several sections, inflating the risk rating score. Taking this and Tenco's comments into account, I recommend that the next audit is completed in 12 months.

The matters raised are set out 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)	<p>20 ICPs had duplicate and/or incomplete addresses, which were corrected to be readily locatable and unique during the audit.</p> <p>At least 16 network updates which entered the initial electrical connection date had an incorrect event date.</p> <p>Six ICPs had incorrect initial electrical connection dates, which were corrected during the audit.</p> <p>Eight of the 27 SB ICPs had loss factors greater than 1.00 and were corrected during the audit.</p>	Strong	Low	1	Identified
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	<p>46 ICPs were updated to “ready” status after initial electrical connection.</p> <p>Two ICPs had pricing, address and proposed trader information populated after initial electrical connection.</p>	Strong	Low	1	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	<p>16 ICPs created prior to the audit period had initial electrical connection dates populated late during the audit period.</p> <p>137 ICPs created during the audit period had initial electrical connection dates populated late.</p>	Moderate	Low	2	Identified
Connection of ICP that is not an NSP	3.6	11.17	<p>46 ICPs were not updated to “ready” status prior to the initial electrical connection date, and the trader was not recorded as having accepted responsibility for the ICP in the registry.</p>	Strong	Low	1	Identified
Five new NSPs had late meter certifications.	3.9	10.30	<p>Five new NSPs had late meter certifications.</p>	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Changes to registry information	4.1	8 Schedule 11.1	38 late address updates. 77 late pricing updates. One late NSP change. Three late distributed generation updates. 25 late network updates. Four late status updates to decommissioned.	Strong	Low	1	Identified
ICP location address	4.4	2 Schedule 11.1	20 ICPs had duplicate and/or incomplete addresses, which were corrected to be readily locatable and unique during the audit.	Strong	Low	1	Cleared
Distributors to provide ICP information to the registry manager	4.6	7(1) Schedule 11.1	Six ICPs had incorrect initial electrical connection dates, which were corrected during the audit. At least 16 network events had incorrect event dates applied.	Strong	Low	1	Identified
Provision of information to registry after the trading of electricity at the ICP commences	4.7	7(3) Schedule 11.1	Two ICPs had pricing information populated more than ten business days after initial electrical connection.	Strong	Low	1	Identified
Creation and decommissioning of NSPs	6.1	11.8 and 25 Schedule 11.1	Alleged breaches 2206TENC1 and 2111TENC1 are recorded for late provision of NSP information to the reconciliation manager.	Strong	Low	1	Identified
Notice of supporting embedded network NSP information	6.4	26(4) Schedule 11.1	One late notification of new NSP network and start date information. 21 late notifications of new NSP LE ICP information.	Moderate	Low	2	Identified
Notification of transfer of ICPs	6.7	11.8 and 25 Schedule 11.1	Alleged breaches 2202TENC1 and 2202TENC2 are recorded for late provision of ICP transfer information to the reconciliation manager.	Strong	Low	1	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Responsibility for metering information for NSP that is not a POC to the grid	6.8	10.25(1) and 10.25(3)	Meter certification details were updated more than 20 business days after the certification date for nine NSPs. Meter certification was expired for five ICPs at the time the checks were completed, and later recertified.	Moderate	Low	2	Identified
Responsibility for metering information when creating an NSP that is not a POC to the grid	6.9	10.25(2)	Five new NSPs had late meter certifications.	Moderate	Low	2	Identified
Creation of loss factors	8.1	11.2	Incorrect loss factors were recorded for eight SB ICPs, which were corrected during the audit.	Moderate	Low	2	Cleared
Future Risk Rating						21	

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
ICP location address	4.4	Identification and correction of incomplete and duplicate ICP addresses.	Review the registry AC020 distributor compliance report - AC020Distributor11 tab at least monthly to identify ICPs where all address fields are the same or where one or more GPS coordinates and street number and property name are null. Any ICPs on the report should have their addresses checked and updated to ensure that they are complete and readily locatable.
Distributed generation	4.6	Distributed generation details for ICP 0000014176TC723.	Check whether the distributed generation details are correct on the registry for ICP 0000014176TC723 and update as necessary.
Follow up incorrect NSP information with the	6.8	Follow up metering information errors on the NSP table with the reconciliation manager.	TTC0011TENCEN was recorded in the NSP table with expiry date 7 July 2023, certification and TENCO's records show 7 July 2032.

Subject	Section	Recommendation	Description
reconciliation manager			TRV0011TENCEN is recorded in the NSP table with expiry date 13 April 2023 but should have 13 April 2032. TMF0011TENCEN is recorded in the NSP table with expiry date 20 May 2027 but should have 19 May 2027.

ISSUES

Subject	Section	Issue	Description
		Nil	

1. ADMINISTRATIVE

1.1. Exemptions from Obligations to Comply with Code (Section 11)

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

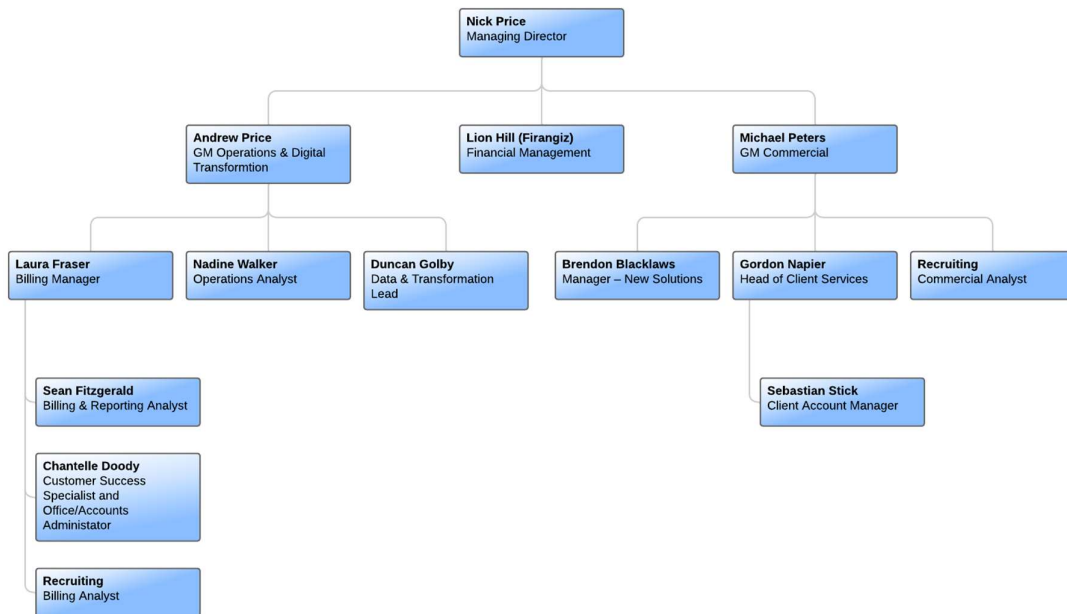
The Electricity Authority website was checked to determine whether TENC has any Code exemptions in place.

Audit commentary

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

1.2. Structure of Organisation

TENCO provided an organisation chart:



1.3. Persons involved in this audit

Auditor:

Name	Company	Role
Tara Gannon	Veritek Limited	Auditor

Personnel assisting in this audit were:

Name	Title	Organisation
Andrew Price	Market Operations and Compliance Manager	TENCO
Nadine Walker	Operations Analyst	TENCO
Nick Price	Managing Director	TENCO

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

- *remains responsible for the contractor's fulfilment of the participants Code obligations*
- *cannot assert that it is not responsible or liable for the obligation due to the action of a contractor*
- *must ensure that the contractor has at least the specified level of skill, expertise, experience, or qualification that the participant would be required to have if it were performing the obligation itself*

Audit commentary

TENCO performs all TENC's responsibilities.

1.5. Supplier list

All activities covered by the scope of this audit are conducted by TENCO.

1.6. Hardware and Software

Hardware and software are discussed in the TENCO agent audit report.

1.7. Breaches or Breach Allegations

TENC has had four alleged breaches relevant to the scope of this audit recorded by the Electricity Authority.

Reference	Clause(s)	Description	Result
2202TENC1	Part 11 Schedule 11.2 clause 4	TENCO self-reported that it failed to submit GXP transfer files to the Authority no later than three business days before the transfer was to take effect. TENCO had received consent from all retailers for FTS0011 and NFC0011 by 24 January 2022 but due to a misinterpretation sent the DS-010 file and supporting information to the Authority on 27 January 2022 for a transfer date of 1 February 2022.	early closure
2202TENC2	Part 11 Schedule 11.2 clause 4	TENCO self-reported that it failed to submit GXP transfer files to the Authority no later than three business days before the transfer was to take effect. TENCO were transferring ICPs from NSP ROM0011 and the DS-010 file and supporting information was sent on 25 February 2022 for a start date of 1 March 2022. The delay was caused by increased workloads relating to pricing changes occurring at the same time the transfer was being prepared.	early closure
2206TENC1	Part 11 clause 11.8 Part 11 Schedule 11.1 clause 25	TENCO self-reported that it failed to provide notice of a new embedded network to the reconciliation manager at least one month prior to the start date for new NSP TRS0111-TENC-EN. The information was provided via the RM portal on 28 June 2022 for a start date of 26 July 2022. TENCO provided the information as soon as possible after being advised that the liveness date for the greenfield development had been moved forward two days. No ICPs were being transferred from other networks so there was no impact on other participants.	early closure
2111TENC1	Clause 25(5) of schedule 11.1	TENCO did not provide one month's notice of the creation of the TTF0011 NSP.	early closure

1.8. ICP and NSP Data

NSP data

Review of the NSP table showed TENC had the following NSPs as of 20 September 2022. No NSPs were decommissioned or transferred to other embedded networks during the audit period.

Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Type	Start Date	ICPs
TENC	CGA0011	48 GREYS AVENUE AUCKLAND	PEN1101	VECT	CGA0011TENCE	EN	1/9/17	12
TENC	CLN0011	351 LINCOLN ROAD ADDINGTON	ISL0661	ORON	CLN0011TENCE	EN	1/1/16	14
TENC	CPP0111	Central Park	PEN0331	VECT	CPP0111TENCE	EN	1/8/18	116
TENC	CRN0011	51 CORINTHIAN DRIVE PROPERTY	ALB0331	UNET	CRN0011TENCE	EN	1/10/15	13
TENC	HBS0011	1 Hobson St Auckland	HOB1101	VECT	HBS0011TENCE	EN	26/9/19	134
TENC	HGH0011	Highbury Shopping Centre	WRD0331	UNET	HGH0011TENCE	EN	1/6/18	26
TENC	KDH0011	10 WORLEY PLACE	HAM0331	WAIK	KDH0011TENCE	EN	1/6/17	27
TENC	KFA0111	21 Pitt Street	PEN1101	VECT	KFA0111TENCE	EN	1/1/21	6
TENC	KMW0011	KIWI MAJESTIC CENTRE	CPK0331	CKHK	KMW0011TENCE	EN	1/9/19	60

Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Type	Start Date	ICPs
TENC	KNA0011	205 Queen Street Auckland	PEN1101	VECT	KNA0011TENCE	EN	1/2/18	93
TENC	KNW0111	North City Shopping Centre	TKR0331	CKHK	KNW0111TENCE	EN	9/7/18	104
TENC	MSC0011	MERIDIAN SHOPPING CENTRE	HWB0331	DUNE	MSC0011TENCE	EN	1/8/21	56
TENC	MXS0011	South City Centre	ISL0661	ORON	MXS0011TENCE	EN	10/10/19	47
TENC	PAZ0111	ANZ CENTRE	HOB1101	VECT	PAZ0111TENCE	EN	1/6/21	21
TENC	PFB0011	55 Featherston Street Wellington	WIL0331	CKHK	PFB0011TENCE	EN	1/6/18	25
TENC	PHP0011	171 FEATHERSTON ST PROPERTY	CPK0331	CKHK	PHP0011TENCE	EN	1/9/15	14
TENC	PHS0011	195 Lambton Quay Wellington	KWA0111	CKHK	PHS0011TENCE	EN	1/6/18	10
TENC	PMK0011	Morrison Kent House Wellington	CPK0331	CKHK	PMK0011TENCE	EN	1/9/21	30
TENC	PPH0011	PASTORAL HOUSE	KWA0111	CKHK	PPH0011TENCE	EN	1/5/20	22
TENC	PTC0011	125 THE TERRACE	CPK0331	CKHK	PTC0011TENCE	EN	14/9/18	26
TENC	RTB0011	TELCO BUILDING	HOB1101	VECT	RTB0011TENCE	EN	26/9/19	39
TENC	STL0011	The Sentinel	WRD0331	UNET	STL0011TENCE	EN	1/12/18	124
TENC	TAA0011	50 Anzac Ave Auckland	PEN1101	VECT	TAA0011TENCE	EN	1/7/17	16
TENC	TAC0011	250 Tancred Street ASHBURTON	ASB0661	EASH	TAC0011TENCE	EN	1/7/19	7
TENC	TAQ0011	104 QUAY ST AUCKLAND	PEN1101	VECT	TAQ0011TENCE	EN	1/12/16	9
TENC	TAT0011	154 THE TERRACE WELLINGTON	CPK0331	CKHK	TAT0011TENCE	EN	14/9/18	140
TENC	TAW0011	TE AWA SHOPPING CENTRE	TWH0331	WAIK	TAW0011TENCE	EN	1/11/14	104
TENC	TBA0011	36-42 CUSTOMS ST EAST AUCKLAND	PEN1101	VECT	TBA0011TENCE	EN	15/9/16	13
TENC	TBC0011	BNZ CENTRE CHRISTCHURCH	ISL0661	ORON	TBC0011TENCE	EN	21/5/18	80
TENC	TBD0011	DOMINION BUILDING	CPK0331	CKHK	TBD0011TENCE	EN	1/6/15	45
TENC	TBE0011	2-16 TAKU TAI SQUARE	PEN1101	VECT	TBE0011TENCE	EN	1/4/21	48
TENC	TBQ0011	2-8 White St Auckland	PEN1101	VECT	TBQ0011TENCE	EN	1/9/19	174
TENC	TBR0011	35 Brecon Street	FKN0331	DUNE	TBR0011TENCE	EN	21/6/21	11
TENC	TBS0011	26-28 CUSTOMS ST EAST	PEN1101	VECT	TBS0011TENCE	EN	1/11/15	14
TENC	TBV0011	The Botanic Retirement Village	SVL0331	UNET	TBV0011TENCE	EN	28/7/21	30
TENC	TBW0011	33 Broadway Newmarket Auckland	PEN0331	VECT	TBW0011TENCE	EN	1/10/18	18
TENC	TCA0011	CENTURY CITY APARTMENTS	CPK0331	CKHK	TCA0011TENCE	EN	2/4/13	137
TENC	TCB0011	4 Williamson Ave Auckland	ROS1101	VECT	TCB0011TENCE	EN	1/7/17	19
TENC	TCC0011	Coastlands Plaza Paraparaumu	PRM0331	ELEC	TCC0011TENCE	EN	1/6/21	83
TENC	TCD0011	Chaffers Dock	CPK0331	CKHK	TCD0011TENCE	EN	20/1/12	81
TENC	TCG0011	103 Carlton Gore Road	PEN0331	VECT	TCG0011TENCE	EN	1/1/19	11
TENC	TCH0011	46-58 Customs Street East Auck	PEN1101	VECT	TCH0011TENCE	EN	1/5/17	6
TENC	TCL0011	CHEWS LANE APARTMENTS	CPK0331	CKHK	TCL0011TENCE	EN	14/9/18	96
TENC	TCO0011	95 SWAYNE ROAD CAMBRIDGE	CBG0111	WAIK	TCO0011TENCE	EN	16/4/18	205

Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Type	Start Date	ICPs
TENC	TCP0011	370 Oriental Parade Wellington	CPK0331	CKHK	TCP0011TENCE	EN	1/10/17	34
TENC	TCR0011	9 11 CORINTHIAN DR AUCKLAND	ALB0331	UNET	TCR0011TENCE	EN	1/2/16	19
TENC	TCS0011	11 Church Street Wellington	CPK0331	CKHK	TCS0011TENCE	EN	1/6/21	105
TENC	TCT0011	TAURANGA CROSSING TAURIKURA DR	TGA0331	POCO	TCT0011TENCE	EN	15/3/19	112
TENC	TCU0011	50 Customhouse Quay Wellington	KWA0111	CKHK	TCU0011TENCE	EN	1/6/19	24
TENC	TDS0011	AWLY BUILDING 80 ARMAGH ST CHCH	ISL0661	ORON	TDS0011TENCE	EN	13/5/18	26
TENC	TDX0011	111 Dixon Street Wellington	CPK0111	CKHK	TDX0011TENCE	EN	11/11/19	231
TENC	TES0011	1-3 EDWARD STREET WELLINGTON	CPK0111	CKHK	TES0011TENCE	EN	1/12/19	44
TENC	TET0011	EAGLE TECHNOLOGY HOUSE	CPK0111	CKHK	TET0011TENCE	EN	14/9/18	3
TENC	TFJ0011	FUJITSU TOWER 141 THE TERRACE	CPK0331	CKHK	TFJ0011TENCE	EN	14/9/18	28
TENC	TFM0011	FIVE MILE SHOPPING CENTRE	FKN0331	DUNE	TFM0011TENCE	EN	8/7/15	83
TENC	TFS0011	152 FANSHAWE ST AUCKLAND	HOB1101	VECT	TFS0011TENCE	EN	26/9/19	12
TENC	TFS0012	155 Fanshawe St Akld	HOB1101	VECT	TFS0012TENCE	EN	1/6/20	19
TENC	TFS0013	136 Fanshawe Street AUCKLAND	HOB1101	VECT	TFS0013TENCE	EN	1/1/21	21
TENC	TFT0011	4 Fred Thomas Drive	WRD0331	UNET	TFT0011TENCE	EN	20/9/19	18
TENC	TGB0011	96 St Georges Bay Road Auckland	PEN1101	VECT	TGB0011TENCE	EN	1/2/18	13
TENC	TGC0011	THE GRAND ARCADE	CPK0331	CKHK	TGC0011TENCE	EN	14/9/18	59
TENC	TGD0011	Goddards Shopping Centre	TGA0331	POCO	TGD0011TENCE	EN	1/6/19	11
TENC	TGN0011	The Groves 4155 Great North Rd	HEP0331	UNET	TGN0011TENCE	EN	1/7/21	49
TENC	TGR0011	141 CASHEL ST CHRISTCHURCH 8011	ISL0661	ORON	TGR0011TENCE	EN	13/5/18	9
TENC	TGS0011	650 Great South Rd Auckland	PEN0331	VECT	TGS0011TENCE	EN	1/9/17	8
TENC	TGT0011	Guardian Trust Building	CPK0331	CKHK	TGT0011TENCE	EN	14/9/18	19
TENC	TGW0011	31 Galway St AUCKLAND	PEN1101	VECT	TGW0011TENCE	EN	1/9/20	10
TENC	THD0011	Hazeldean Business Park	ISL0661	ORON	THD0011TENCE	EN	1/10/19	28
TENC	THH0011	21 Home Straight Te Rapa	TWH0331	WAIK	THH0011TENCE	EN	20/4/21	19
TENC	THP0012	7 Hopetoun Street Auckland	ROS1101	VECT	THP0012TENCE	EN	8/6/18	124
TENC	THS0011	THE HSBC TOWER	ISL0661	ORON	THS0011TENCE	EN	1/4/15	15
TENC	TJS0011	3-11 Hunter Street Wellington	CPK0331	CKHK	TJS0011TENCE	EN	14/9/18	19
TENC	TJW0011	243-261 Princes Street Dunedin	SDN0331	DUNE	TJW0011TENCE	EN	1/4/18	37
TENC	TKI0011	2 Kitchener St Auckland	PEN1101	VECT	TKI0011TENCE	EN	1/8/17	21
TENC	TKL0011	16 West Coast Rd Glen Eden Akld	HEP0331	UNET	TKL0011TENCE	EN	1/9/19	21
TENC	TKM0011	The Karori Mall	WIL0331	CKHK	TKM0011TENCE	EN	20/1/12	21

Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Type	Start Date	ICPs
TENC	TKO0011	10 Waterloo Quay Wellington	WIL0331	CKHK	TKO0011TENCE	EN	12/7/18	20
TENC	TKS0011	KATE SHEPPARD APARTMENTS	WIL0331	CKHK	TKS0011TENCE	EN	1/3/15	66
TENC	TLB0011	88 Te Oneroa Way Auckland	ALB0331	UNET	TLB0011TENCE	EN	7/11/18	62
TENC	TLN0011	131 LINCOLN ROAD AUCKLAND	HEN0331	UNET	TLN0011TENCE	EN	1/7/15	12
TENC	TMA0011	123 Molesworth St Wellington	KWA0111	CKHK	TMA0011TENCE	EN	22/4/21	43
TENC	TMC0011	2 Connolly St Lower Hutt	MLG0111	CKHK	TMC0011TENCE	EN	22/8/17	9
TENC	TML0011	1 MARKET LANE WELLINGTON	CPK0331	CKHK	TML0011TENCE	EN	1/4/15	50
TENC	TMM0111	80b BURWOOD RD MATAMATA	HIN0331	POCO	TMM0111TENCE	EN	8/7/19	246
TENC	TMT0011	65-93 Lakeside Road Wanaka Otago	CML0331	DUNE	TMT0011TENCE	EN	1/7/20	51
TENC	TMX0011	602 Great South Road Auckland	PEN0331	VECT	TMX0011TENCE	EN	1/1/21	25
TENC	TNU0011	8 Nugent Street Auckland	PEN1101	VECT	TNU0011TENCE	EN	28/4/21	13
TENC	TNV0011	NOUVO APARTMENTS MT COOK WLG	CPK0331	CKHK	TNV0011TENCE	EN	1/6/16	43
TENC	TOD0011	3-5 Oracle Drive Auckland	ALB0331	UNET	TOD0011TENCE	EN	1/4/21	40
TENC	TOM0011	226-240 Ormiston Rd Flatbush	OTA0221	VECT	TOM0011TENCE	EN	1/5/20	99
TENC	TOX0011	32 Oxford Terrace	ISL0661	ORON	TOX0011TENCE	EN	1/5/19	16
TENC	TPA0011	Pinnacle Apartments Wellington	CPK0111	CKHK	TPA0011TENCE	EN	1/8/21	191
TENC	TPC0011	PWC Centre 58 Cashel St ChCh	ISL0661	ORON	TPC0011TENCE	EN	1/7/21	18
TENC	TPK0011	Peak Apartments Wellington	CPK0111	CKHK	TPK0011TENCE	EN	1/8/18	57
TENC	TPM0011	THE PIERMONT/MONUMENT APARTMENTS	CPK0331	CKHK	TPM0011TENCE	EN	1/9/13	151
TENC	TPP0011	7 Gravatt Road Papamoa	MTM0331	POCO	TPP0011TENCE	EN	1/9/21	50
TENC	TPW0011	141 Pakenham St West Auck	PEN1101	VECT	TPW0011TENCE	EN	26/9/17	124
TENC	TPW0012	132 Halsey Street Auckland	HOB1101	VECT	TPW0012TENCE	EN	1/12/18	58
TENC	TPW0013	30 Madden Stage1	HOB1101	VECT	TPW0013TENCE	EN	1/1/21	163
TENC	TQB0011	51 WEBB STREET	CPK0111	CKHK	TQB0011TENCE	EN	14/9/18	76
TENC	TQC0011	Queenstown Central	FKN0331	DUNE	TQC0011TENCE	EN	11/6/18	64
TENC	TQD0011	40-44 Queens Drive HUTT CENTRAL	MLG0111	CKHK	TQD0011TENCE	EN	1/5/20	11
TENC	TQS0011	246 QUEEN STREET AUCKLAND	PEN1101	VECT	TQS0011TENCE	EN	1/10/19	23
TENC	TQS0012	125 Queen Street Auckland	HOB1101	VECT	TQS0012TENCE	EN	1/7/21	47
TENC	TQW0011	CLYDE QUAY WHARF	CPK0331	CKHK	TQW0011TENCE	EN	1/10/14	87
TENC	TRR0011	Riverside Residence Dunedin	CML0331	DUNE	TRR0011TENCE	EN	16/8/21	44
TENC	TRT0011	REPUBLIC BUILDING	CPK0331	CKHK	TRT0011TENCE	EN	1/6/13	141
TENC	TSA0011	46 Sales St Auckland	HOB1101	VECT	TSA0011TENCE	EN	1/7/17	10

Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Type	Start Date	ICPs
TENC	TSB0011	66 THE SQUARE PALMERSTON NORTH	LTN0331	POCO	TSB0011TENCE	EN	17/4/20	20
TENC	TSG0011	THE SOUTHGATE MALL	TAK0331	VECT	TSG0011TENCE	EN	1/8/13	32
TENC	TSM0011	Silverdale Mall Auckland	SVL0331	UNET	TSM0011TENCE	EN	1/7/21	27
TENC	TSN0011	79 QUEEN STREET	PEN1101	VECT	TSN0011TENCE	EN	5/11/12	8
TENC	TSP0011	43 MULGRAVE ST WELLINGTON	CPK0331	CKHK	TSP0011TENCE	EN	14/9/18	114
TENC	TSQ0011	10 Ebor Street Te Aro Wellington	CPK0331	CKHK	TSQ0011TENCE	EN	1/2/20	97
TENC	TSS0011	34 SHORTLAND ST AUCKLAND	PEN1101	VECT	TSS0011TENCE	EN	1/12/16	23
TENC	TTA0011	19 College Street Wellington	CPK0331	CKHK	TTA0011TENCE	EN	1/7/17	66
TENC	TTC0011	THE CUBE	CPK0331	CKHK	TTC0011TENCE	EN	1/6/13	87
TENC	TTF0011	Farmers-Tauranga Retail	TGA0331	POCO	TTF0011TENCE	EN	20/7/21	12
TENC	TTF0012	38 Elizabeth Street Tauranga	TGA0331	POCO	TTF0012TENCE	EN	1/10/21	49
TENC	TTH0011	THE HUB 398 MAIN SOUTH ROAD	ISL0331	ORON	TTH0011TENCE	EN	1/8/14	120
TENC	TTR0011	162 FLAT BUSH SCHOOL RD	PAK0331	VECT	TTR0011TENCE	EN	1/5/16	69
TENC	TTS0011	TAKAPUNA AUCKLAND	WRD0331	UNET	TTS0011TENCE	EN	21/9/19	25
TENC	TTT0011	TOURISM & TRAVEL HOUSE	CPK0331	CKHK	TTT0011TENCE	EN	14/9/18	20
TENC	TVP0011	166 VICTORIA ST Wellington	CPK0111	CKHK	TVP0011TENCE	EN	1/2/20	158
TENC	TVS0011	ORACLE BUILDING 162 VICTORIA ST	PEN1101	VECT	TVS0011TENCE	EN	1/8/15	8
TENC	TVT0011	VICTORIA ST AUCKLAND	PEN1101	VECT	TVT0011TENCE	EN	1/11/15	26
TENC	TWA0011	2026 STEWART DUFF DR Wellington	CPK0331	CKHK	TWA0011TENCE	EN	1/4/21	81
TENC	TWG0011	8 Wigan Street Wellington	CPK0111	CKHK	TWG0011TENCE	EN	1/6/18	76
TENC	TWM0011	WAITAKERE MEGA CENTRE AUCKLAND	HEP0331	UNET	TWM0011TENCE	EN	1/3/16	26
TENC	TWQ0011	14 WEST QUAY AHURIRI NAPIER	RDF0331	HAWK	TWQ0011TENCE	EN	1/8/16	110
TENC	TWS0011	Willbank house WELLINGTON	CPK0331	CKHK	TWS0011TENCE	EN	14/9/18	35
TENC	VGH0011	GHD CENTRE	HOB1101	VECT	VGH0011TENCE	EN	1/1/21	6
TENC	VWC0011	WATERCARE BUILDING	PEN0331	VECT	VWC0011TENCE	EN	1/1/21	10
TENC	WGF0011	GLENFIELD SHOPPING CENTRE	WRD0331	UNET	WGF0011TENCE	EN	1/2/16	104
TENC	WPK0011	WESTFIELD PAKURANGA	PAK0331	VECT	WPK0011TENCE	EN	1/4/13	101
TENC	WSC0011	WESTFIELD SHORE CITY	WRD0331	UNET	WSC0011TENCE	EN	21/9/19	72
TENC	WWC0011	WESTFIELD WESTCITY	HEP0331	UNET	WWC0011TENCE	EN	1/3/18	130

NSPs created during the period (since 1 October 2021)

Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Type	Start Date	ICPs
TENC	TAG0011	The Cab Apartments Auckland	PEN1101	VECT	TAG0011TENCE	EN	1/5/22	115
TENC	TAG0011	The Cab Apartments Auckland	PEN1101	VECT	TAG0011TENCE	EN	1/5/22	115
TENC	TAL0011	Atlas Quarter	ISL0661	ORON	TAL0011TENCE	EN	1/12/22	-

Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Type	Start Date	ICPs
TENC	TAY0011	3 Esk Street Invercargill	INV0331	ELIN	TAY0011TENCE	EN	2/6/22	19
TENC	TBM0011	Barrington Mall	ISL0661	ORON	TBM0011TENCE	EN	1/6/22	69
TENC	TCE0011	23 Customs St East Auckland	HOB1101	VECT	TCE0011TENCE	EN	1/5/22	31
TENC	TCM0011	306 Cameron Road	TGA0111	POCO	TCM0011TENCE	EN	1/9/22	13
TENC	TCN0011	The Crossing	ISL0661	ORON	TCN0011TENCE	EN	1/11/22	-
TENC	TFR0011	153 Pukehangi Road	ROT0111	HAWK	TFR0011TENCE	EN	2/6/22	8
TENC	TGS0012	656 Great South Rd Ellersie	HOB1101	VECT	TGS0012TENCE	EN	20/1/22	8
TENC	TMF0011	MLC Fairway Gardens Auckland	PAK0331	VECT	TMF0011TENCE	EN	28/4/22	64
TENC	TMG0011	MLC Gulf Rise Auckland	SVL0331	UNET	TMG0011TENCE	EN	28/4/22	42
TENC	TMN0011	6-8 Munroe Lane	ALB0331	UNET	TMN0011TENCE	EN	1/10/22	-
TENC	TMO0011	Metlife Orion Point AKL	HEN0331	UNET	TMO0011TENCE	EN	1/8/22	-
TENC	TMP0011	Metlife Pohutukawa AKL	HOB1101	VECT	TMP0011TENCE	EN	1/8/22	-
TENC	TNA0011	Northpoint 170 Fraser Ave Wlg	TKR0331	CKHK	TNA0011TENCE	EN	1/4/22	71
TENC	TNP0011	Centre City Gill St New Plymouth	CST0331	POCO	TNP0011TENCE	EN	1/2/22	63
TENC	TON0011	20 Omana Road Milford	ALB1101	UNET	TON0011TENCE	EN	20/6/22	63
TENC	TPD0011	97 Taranaki St Wellington	CPK0331	CKHK	TPD0011TENCE	EN	24/1/22	194
TENC	TRA0011	Rose Garden Apartments	ALB0331	UNET	TRA0011TENCE	EN	1/9/22	204
TENC	TRM0011	RIVERSIDE MARKETS	ISL0661	ORON	TRM0011TENCE	EN	1/1/22	50
TENC	TRN0011	Richmond Mall Nelson	STK0331	TASM	TRN0011TENCE	EN	1/5/22	73
TENC	TRS0111	Ruakura Superhub	HAM0111	WAIK	TRS0111TENCE	EN	26/7/22	1
TENC	TRV0011	130 Richmond Street Petone	GFD0331	CKHK	TRV0011TENCE	EN	19/4/22	60
TENC	TSF0011	Sofrana Barrington Limited	PEN1101	VECT	TSF0011TENCE	EN	1/7/22	7
TENC	TSH0011	Timaru Showgrounds	TIM0111	ALPE	TSH0011TENCE	EN	1/10/22	-
TENC	TSW0011	Steamer Wharf	FKN0331	DUNE	TSW0011TENCE	EN	1/9/22	21
TENC	TTG0011	T&G Building	PEN1101	VECT	TTG0011TENCE	EN	1/9/22	99
TENC	TVA0011	123 Victoria Street Christchurch	ISL0661	ORON	TVA0011TENCE	EN	1/7/22	12
TENC	TVI0011	47-49 Vivian Street Wellington	CPK0331	CKHK	TVI0011TENCE	EN	2/6/22	86
TENC	TVN0011	City Lodge Apartments Wellington	CPK0331	CKHK	TVN0011TENCE	EN	13/10/21	50
TENC	TWR0011	Willowbank Rise	TKR0331	CKHK	TWR0011TENCE	EN	10/10/22	-

NSPs transferred in from other networks during the period (since 1 October 2020)

Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Type	Start Date	ICPs
TENC	ESC0011	Eastgate Shopping Centre	BRY0661	ORON	ESC0011TENCEN	EN	1/4/22	52
TENC	TPS0011	The Palms	BRY0661	ORON	TPS0011TENCEN	EN	1/4/22	111
TENC	EMB0011	I-Centre 44-50 Manners St	CPK0111	CKHK	EMB0011TENCEN	EN	1/5/22	20
TENC	FTS0011	40 Taranaki - NEC House	CPK0111	CKHK	FTS0011TENCEN	EN	1/2/22	22
TENC	NFC0011	95 Customhouse Quay Wellington	CPK0331	CKHK	NFC0011TENCEN	EN	1/2/22	21
TENC	OTF0011	110 Featherston St Wellington	CPK0331	CKHK	OTF0011TENCEN	EN	1/1/22	17
TENC	DSH0011	DRESS-SMART HORNBY	ISL0331	ORON	DSH0011TENCEN	EN	1/1/22	52
TENC	DSO0011	DRESS-SMART ONEHUNGA	PEN0221	VECT	DSO0011TENCEN	EN	1/1/22	95
TENC	ROM0011	Royal Oak Mall	PEN0221	VECT	ROM0011TENCEN	EN	1/3/22	69

Dist	NSP POC	Description	Parent POC	Parent Dist	Balancing Area	Type	Start Date	ICPs
TENC	DTE0011	25 TEED STREET AUCKLAND	PEN0331	VECT	DTE0011TENCEN	EN	1/6/22	13

ICP data

ICPs are recorded by status in the table below:

Status	2022	2021	2020	2019	2017
New (999,0)	767	760	119	4	32
Ready (0,0)	477	120	182	134	19
Active (2,0)	9,345	7,284	6,161	4,952	3,326
Distributor (888,0)	-	-	-	-	-
Inactive – new connection in progress (1,12)		43	49	35	2
Inactive – electrically disconnected vacant property (1,4)	225	168	123	93	63
Inactive – electrically disconnected remotely by AMI meter (1,7)	41	44	22	14	3
Inactive – electrically disconnected at pole fuse (1,8)	-	-	-	-	-
Inactive – electrically disconnected due to meter disconnected (1,9)	16	15	13	10	3
Inactive – electrically disconnected at meter box fuse (1,10)	4	3	2	1	-
Inactive – electrically disconnected at meter box switch (1,11)	2	4	3	4	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-	-	-
Decommissioned (3)	307	247	206	160	58

1.9. Authorisation Received

A letter of authorisation was provided.

1.10. Scope of Audit

This distributor audit was performed at the request of TENC, 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.

The audit analysis was undertaken on

- a registry list snapshot as of 4 October 2022,
- a registry list with history and event detail report for 1 October 2021 to 4 October 2022,
- audit compliance reports covering 1 October 2021 to 4 October 2022,
- a meter installation details report for 4 October 2022, and
- the NSP table, NSP mapping table, loss factor table, and price category table for 21 September 2022.

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.	TENCO
The provision of ICP information to the registry and the maintenance of that information.	
The creation and maintenance of loss factors.	

The audit report for TENCO will be submitted with this audit.

1.11. Summary of previous audit

I reviewed the TENC audit conducted in December 2021 by Rebecca Elliot of Veritek Limited. The audit recorded 12 non-compliances and made no recommendations. The statuses of the non-compliances are detailed below:

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	One ICP electrically connected during the audit period with no initial electrical connection recorded. Four ICPs with duplicate addresses, which were corrected to be readily locatable during the audit. 12 active ICPs on the CGA0011 network with the incorrect loss factor code applied.	Still existing
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.	Cleared
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	Late update to “ready” for one ICP electrically connected during the audit period.	Still existing
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Some (a maximum of 29 ICPs) initial electrical connection dates updated late to the registry.	Still existing
Connection of NSP that is not point of connection to the grid	3.9	10.30	Meter certification expiry dates not notified within 5 business days of the NSP being electrically connected.	Still existing

Subject	Section	Clause	Non-compliance	Status
Changes to registry information	4.1	8 Schedule 11.1	Three late address updates. 23 late pricing updates. One late distributed generation update.	Still existing
ICP location address	4.4	2 Schedule 11.1	Four ICPs with duplicate addresses, which were corrected to be readily locatable during the audit.	Still existing
Distributors to provide ICP information to the registry manager	4.6	7(1) Schedule 11.1	One electrically connected ICP with no initial electrical connection date populated.	Still existing
Notice of supporting embedded network NSP information	6.4	26(4) Schedule 11.1	12 LE ICP numbers were not provided at least one month before network creation date.	Still existing
Responsibility for metering information for NSP that is not a POC to the grid	6.8	10.25(1) and 10.25(3)	Meter certification details were updated more than 20 business days for 13 NSPs. Meter certification expired on WPK0011.	Still existing
Responsibility for metering information when creating an NSP that is not a POC to the grid	6.9	10.25(2)	Notification of the meter certification expiry date was provided more than 20 days after the meter was certified for one new NSP.	Still existing
Creation of loss factors	8.1	11.2	Incorrect loss factors applied to the 12 active ICPs on the CGA0011 network.	Still existing

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

TENCO's networks have a significant amount of registry activity as new ICPs are created for its new embedded networks. There were a small number of data inaccuracies found during the audit, which were not identified and corrected as soon as practicable.

Addresses	20 ICPs had duplicate and/or incomplete addresses, which were corrected to be readily locatable and unique during the audit. Refer to section 4.4 for further information.
Event dates	Event dates should reflect the date that the attributes within the network, address, pricing, or status record apply from. At least 16 network updates had incorrect event dates recorded. Following discussion during the audit, TENCO have updated their process to ensure that correct event dates are consistently applied. I found that any corrections to events processed after this discussion had correct event dates applied. Refer to section 4.6 for further information.
Initial electrical connection dates	Six ICPs had incorrect initial electrical connection dates, which were corrected during the audit. Refer to section 4.6 for further information.
SB ICP loss factors	Eight of the 27 SB ICPs had loss factors greater than 1.00. A residual loss factor needs to have an internal loss factor of 1.00 so as the RM calculations of the volume are correct. TENCO has corrected the loss factors for the eight ICPs effective from 1 September 2021 (14 months prior) or the ICP start date whichever was later.

Audit outcome

Non-compliant

Non-compliance	Description	
<p>Audit Ref: 2.1 With: Clause 11.2(1) and 10.6(1)</p> <p>From: 01-Oct-21 To: 04-Oct-22</p>	<p>20 ICPs had duplicate and/or incomplete addresses, which were corrected to be readily locatable and unique during the audit.</p> <p>At least 16 network updates which entered the initial electrical connection date had an incorrect event date.</p> <p>Six ICPs had incorrect initial electrical connection dates, which were corrected during the audit.</p> <p>Eight of the 27 SB ICPs had loss factors greater than 1.00 and were corrected during the audit.</p> <p>Potential impact: Low Actual impact: Low Audit history: Twice previously</p> <p>Controls: Strong Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
<p>Low</p>	<p>Controls are rated as strong:</p> <ul style="list-style-type: none"> • TENCO has a robust set of discrepancy reports that are used to identify and correct any errors found, and • TENCO have updated their process to ensure that correct event dates are consistently applied; I found that any corrections to events processed since this change had correct event dates applied. <p>The audit risk rating is low as the number of discrepancies found were small overall. All incorrect ICP attributes identified were corrected during the audit, apart from some historic event dates remain incorrect.</p>	
Actions taken to resolve the issue	Completion date	Remedial action status
<ol style="list-style-type: none"> 1. The duplicate addresses were found during the Veritek review, these were inherited from local networks upon new Embedded Networks being setup. 2. We have historically used the date of entry as the network event date. 3. The incorrect IECDs were as a result of metering and active events not being aligned with our IECD. Further clarification was requested from retailers and IECDs corrected accordingly. 4. Incorrect loss codes were applied during an historical network transfer. 	<p>During the audit period</p>	<p>Identified</p>

Preventative actions taken to ensure no further issues will occur	Completion date	
<ol style="list-style-type: none"> 1. We are establishing reporting which will identify where we have duplicate addresses on our networks. 2. We have updated our process to match the network event date to the IECD date. 3. Our process has been updated to verify alignment of metering and active dates before the IECD is updated. We will put reporting in place to track where participants later change their events. 4. Checks are now in place to capture any incorrectly applied loss codes. 	Ongoing	

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

The management of this process is discussed in the TENCO report. Processes to provide information were reviewed and observed throughout the audit.

Audit commentary

Compliance is recorded for TENCO. Processes are in place to identify and resolve registry discrepancies. Incorrect information is normally corrected daily, or as soon as possible upon discovery.

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 un-bridge 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 personal 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 TENCO process for bridging control devices was examined.

Audit commentary

Compliance is recorded for TENCO. There are no ICPs on the TENC network with load control, and no seals have been broken under this clause.

Audit outcome

Compliant

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 TENCO agent audit report discusses the management of this information. Provision of Disputes Resolution information was examined for TENC to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

Clear and prominent information on Utilities Disputes is provided:

- on the TENCO website under <https://www.tenco-ebs.co.nz/contact-us>,
- as part of email footers for all outgoing emails, and
- verbally when responding to customer telephone queries.

Audit outcome

Compliant

3. CREATION OF ICPS

3.1. Distributors must create ICPS (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

The distributor must create an ICP identifier in accordance with Clause 1 of Schedule 11.1 for each ICP on the distributor's network. This includes an ICP identifier for the point of connection at which an embedded network connects to the distributor's network.

Audit observation

The new connection process was examined as part of the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

1,528 new ICPS were created in accordance with this clause. 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 3 business days of receiving a request for the creation of an ICP identifier for an ICP, must either create a new ICP identifier or advise the participant of the reasons it is unable to comply with the request.

Audit observation

The new connection process is discussed in the TENCO report. ICP requests are made by embedded network management or traders, with most requests are provided by the embedded network management.

1,528 new ICPS were created during the audit period and a sample of new connections were checked to confirm compliance.

Audit commentary

Compliance is recorded for TENCO.

This clause requires distributors to create ICPS within three business days of a request from a trader. The majority of ICP requests for TENC are made by customers or embedded network management rather than traders.

I checked a sample of 28 new ICPS and found they were requested by the customer, their electrician, a developer, or the local network, and this clause did not apply.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The new connection process is discussed in the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Data populated on the registry was checked for all new connections during the audit period, to confirm that required fields were populated.

Audit commentary

Compliance is recorded for TENCO.

ICP information provided to the registry was correct for the sample of ICPs checked. The required fields were populated on the registry for all new connections.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process is discussed in the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

839 of the 1,528 new ICPs were created during the audit period had initial electrical connection dates populated, indicating that they had been connected.

Information was provided as required by this clause for all ICPs created during the audit period where trading also began during the audit period, except:

- ICPs 1002000212TC586 and 1002000213TC9C3 which had late ready status, pricing, address, and proposed trader updates because the file of updates contained address unit numbers which exceeded the maximum number of characters allowed by the registry; there was a delay in

identifying and reprocessing the failed updates which were completed 35 business days after the event date, and

- 46 ICPs were not updated to “ready” status prior to the initial electrical connection date, including 1002000212TC586 and 1002000213TC9C3 above; I checked a further eight late updates and found they were connections where the ICPs were created before the NSP was active, which could not move to “ready” until the NSP was available - TENCO have improved their processes to make sure that ICPs are updated to “ready” as soon as the NSP is assigned.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 22-Apr-22 To: 25-Jul-22	46 ICPs were updated to “ready” status after initial electrical connection. Two ICPs had pricing, address and proposed trader information populated after initial electrical connection. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong, as the process is robust. The impact is low, the ICPs were moved to “ready” status 1-35 business days late (three days late on average). The two ICPs which had updates 35 business days late were an isolated exception caused by an issue with addressing information.		
Actions taken to resolve the issue		Completion date	Remedial action status
<ol style="list-style-type: none"> The 46 ICPs were moved to ready as soon as we became aware that they were still sitting at NEW upon confirmation of the electrical connection. As part of a file upload to the registry 2 ICPs failed to create due to exceeding the Unit field length. 		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<ol style="list-style-type: none"> Processes have been updated to include moving ICPs to ready as soon as the NSP is available for all new embedded networks. Developing report which notifies us of ICPs at new where the GXP is live A check between Salesforce and Registry via the Datawarehouse has now been introduced to ensure that this does not occur going forward. We are going to start monitoring the *.ack files. 		Ongoing	

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process is discussed in the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

839 of the 1,528 new ICPs were created during the audit period had initial electrical connection dates populated, indicating that they had been connected. The AC020 report recorded 315 late updates to initial electrical connection dates.

179 of the late updates were for ICPs created prior to the audit period with initial electrical connection dates populated during the audit period.

- 161 of the ICPs were transferred from another network to new TENC NSPs, and the initial electrical connection dates matched the earliest connection date on the previous network and were updated on the registry within three business days of the TENC NSP start date. The non-compliance for this sits with the original network as they were responsible for the ICPs when electrical connection occurred, and I have excluded these from the non-compliance below.
- Two were not genuinely late, they replaced earlier records containing initial electrical connection dates which were provided on time.
- 16 were updated between 14 and 105 business days after the initial electrical connection date. I checked a sample of five updates and found they were delayed while TENCO confirmed the correct connection date.

The other 136 late updates related to ICPs created and connected during the audit period. In total 839 ICPs were created and connected during the audit period, and 16.2% were late. The late updates were made between 11 and 57 business days after initial electrical connection, with 129 within 30 business days, and 123 within 20 business days. I checked 13 late updates and found:

- nine were delayed by late confirmation of the correct initial electrical connection date,
- two updates for ICPs 1002000212TC586 and 1002000213TC9C3 failed because the file of updates contained address unit numbers which exceeded the maximum number of characters allowed by the registry, and there was a delay in identifying and reprocessing the failed updates, and
- one update was made one business day late due to a delay in processing the update.

ICP 0000070102TC7AC was active from 19 August 2022 but had no initial electrical connection date recorded. The initial electrical connection date was provided to the registry on 2 November 2022, the same day that the MEP provided meter certification details confirming the ICP was connected. TENCO updated the registry as soon as practicable, but it was not within ten business days of electrical connection.

The accuracy of the initial electrical connection dates is examined in **sections 2.1** and **4.6**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2) of Schedule 11.1 From: 01-Oct-21 To: 04-Oct-22	16 ICPs created prior to the audit period had initial electrical connection dates populated late during the audit period. 137 ICPs created during the audit period had initial electrical connection dates populated late. 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	Controls are rated as moderate as they are sufficient to ensure that initial electrical connection dates are updated on time most of the 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
The non-population of IED's is monitored via the Salesforce Compliance Dashboard – the delay in populating will be due to the late population/provision of information to Registry via the Trader or MEP thus causing Tenco's non-compliance.		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We believe our controls in this space are strong and the Compliance Dashboard is monitored each business day.		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 is discussed in the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

As discussed in the TENCO agent audit report, the new connection process requires applications for new connections to be approved by traders.

46 ICPs were not updated to “ready” status prior to the initial electrical connection date, and the trader was not recorded as having accepted responsibility for the ICP in the registry. I checked the ten late updates which were made between three and 35 business days after initial electrical connection and found:

- ICPs 1002000212TC586 and 1002000213TC9C3 had late “ready” status, pricing, address, and proposed trader updates because the file of updates contained address unit numbers which exceeded the maximum number of characters allowed by the registry; there was a delay in identifying and reprocessing the failed updates which were completed 35 business days after the event date, and
- 46 ICPs were not updated to “ready” status prior to the initial electrical connection date, including 1002000212TC586 and 1002000213TC9C3 above; I checked a further eight late updates and found they were connections where the ICPs were created before the NSP was active, which could not move to “ready” until the NSP was available - TENCO have improved their processes to make sure that ICPs are updated to “ready” as soon as the NSP is assigned.

The date of trader acceptance was able to be confirmed to be prior to the initial electrical connection date for eight of the ten late updates. I checked a further sample of five new ICPs and confirmed that the trader accepted responsibility for the ICP on the registry prior to initial electrical connection.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.6 With: Clause 11.17 From: 22-Apr-22 To: 25-Jul-22	46 ICPs were not updated to “ready” status prior to the initial electrical connection date, and the trader was not recorded as having accepted responsibility for the ICP in the registry. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as strong, as the process is robust. The impact is low, the ICPs were moved to “ready” status 1-35 business days late (three days late on average). The two ICPs which had updates 35 business days late were an isolated exception caused by an issue with addressing information.

Actions taken to resolve the issue	Completion date	Remedial action status
The 46 ICPs were moved to ready as soon as we became aware that they were still sitting at NEW upon confirmation of the electrical connection.	During the audit period	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Processes have been updated to include moving ICPs to ready as soon as the NSP is available for all new embedded networks. Developing report which notifies us of ICPs at new where the GXP is live	Ongoing	

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 un-metered load at the ICP and each trader has been advised.

Audit observation

The new connection process is discussed in the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

TENC will not electrically connect an ICP without a reconciliation participant accepting responsibility.

As recorded in **section 3.6**, 46 ICPs were not updated to “ready” status prior to the initial electrical connection date, and the trader was not recorded as having accepted responsibility for the ICP in the registry. I checked the ten late updates which were made between three and 35 business days after initial electrical connection and found that the trader had accepted responsibility prior to the initial electrical connection date.

I checked a further sample of five new ICPs and confirmed that the trader accepted responsibility for the ICP on the registry prior to initial electrical connection.

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

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

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

Audit observation

The new connection process is discussed in the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

384 of the 839 ICPs created and initially electricity connected during the audit period had certified meters prior to their initial electrical connection date. Of those:

Scenario	Count	Count
Meters certified prior to the initial electrical connection date where the meter certification date is after the NSP start date	88	I checked a sample of seven ICPs and confirmed none were temporarily electrically connected, all volumes associated with this activity were reconciled via the GN ICP on the gate meter prior to the embedded network starting.
Meters certified prior to the initial electrical connection date where the meter certification date is before the NSP start date	296	All of the affected ICPs were connected to the TRN0011, TBM0011, TNP0011, TAG0011 and TPD0011 NSPs. I checked a diverse sample of 15 ICPs across the NSPs and found no ICPs were temporarily electrically connected, all volumes associated with this activity were reconciled via the GN ICP on the gate meter prior to the embedded network starting.

No temporary electrical connections were identified, and no shared unmetered load is supplied.

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 on the registry was examined.

Audit commentary

The reconciliation manager was unable to provide confirmation of when they received notification of certification information for new NSPs from TENCO. The Authority is working with the reconciliation manager to ensure that this information can be efficiently provided for future audits. I assessed compliance with clause 10.30 using the best information I could reasonably obtain.

Timeliness of meter certification

TENCO provided meter certifications for 14 of the 31 new NSPs created during the audit period.

Outcome	Quantity	Findings																								
Confirmed on time notification	1	One NSP was confirmed to have meter certification and notification to the reconciliation manager provided within five business days of the NSP connection date and meter certification date.																								
Likely on time notification	8	Eight NSPs had meter certification dates within five business days of NSP start date (or connection date), and it is likely that the notification of meter certification was on time. The actual date of notification could not be confirmed because this information was not provided by the reconciliation manager.																								
Inconclusive	20	Meter certifications were not provided by TENCO, and the date of notification by the RM was not provided. Compliance could not be assessed.																								
Confirmed late notification	5	Five NSPs had meter certification dates more than five business days after the NSP start date.																								
		<table border="1"> <thead> <tr> <th>POC code</th> <th>Start date</th> <th>Meter certification date</th> <th>Business days</th> </tr> </thead> <tbody> <tr> <td>TFR0011TENCEN</td> <td>2 June 2022</td> <td>30 August 2022</td> <td>61</td> </tr> <tr> <td>TMF0011TENCEN</td> <td>28 April 2022</td> <td>20 May 2022</td> <td>17</td> </tr> <tr> <td>TMO0011TENCEN</td> <td>1 August 2022</td> <td>15 September 2022</td> <td>34</td> </tr> <tr> <td>TRS0111TENCEN</td> <td>26 July 2022</td> <td>1 September 2022</td> <td>28</td> </tr> <tr> <td>TSF0011TENCEN</td> <td>1 July 2022</td> <td>4 August 2022</td> <td>24</td> </tr> </tbody> </table>	POC code	Start date	Meter certification date	Business days	TFR0011TENCEN	2 June 2022	30 August 2022	61	TMF0011TENCEN	28 April 2022	20 May 2022	17	TMO0011TENCEN	1 August 2022	15 September 2022	34	TRS0111TENCEN	26 July 2022	1 September 2022	28	TSF0011TENCEN	1 July 2022	4 August 2022	24
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TSF0011TENCEN	1 July 2022	4 August 2022	24																							

Expired or missing meter certification for new NSPs

The NSP table was reviewed, and I found 11 new NSPs which had reached their start dates did not have an MEP or meter certification recorded. Ten were later certified, and the NSP table was updated prior to the audit being completed.

The following NSP remained uncertified at the time the audit was completed. Compliance is recorded because the NSP was not connected and did not have any ICPs connected to it.

NSP	Start date	MEP
TMP0011TENCEN	1 August 2022	The NSP is not expected to be connected until 1 January 2023 and no meter is installed. The existing building will transfer to the new embedded network once connected on 1 January 2023 and new ICPs will not be connected until 18 January 2023. TENCO notified the earliest possible start date when notification of the new NSP was created, but the physical connection has been delayed.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.9 With: Clause 10.30 From: 28-Apr-22 To: 01-Dec-22	Five new NSPs had late meter certifications. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Tenco enters the metering certification from the MEP as soon as we receive and process the paperwork, in some cases the MEP's paperwork is late thus causing Tenco to be non-compliant.		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Tenco continue to proactively follow up for meter paperwork with the MEP when it has not been received.		Ongoing	

3.10. 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

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 reviewed.

Audit commentary

31 new NSPs were created during the audit period as described in **section 3.9**. TENCO confirmed that none of the NSPs were temporarily electrically connected.

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 ICP creation process is discussed in the TENCO report.

Audit commentary

Compliance is recorded for TENCO. ICPs are created in a spreadsheet. The spreadsheet is used to create unique numbering sets for each network. Each network has its own numbering convention, usually with tenancy or shop numbers incorporated into the ICP number.

The checksum is added manually from the “Checksum” system supplied by Vector for where a group of ICPs is created. For the creation of a single ICP, TENCO uses the checksum facility available on the registry.

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

The list file was examined to confirm whether all active ICPs have a single loss category code.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

The new connection process was examined as part of the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

767 ICPs currently have “new” status. ICPs that are created at “new” are changed to “ready” once the NSP is available, and metering details and retailer have been determined.

19 of the ICPs had an NSP assigned, and upon investigation were confirmed not to be required. They were all updated to “decommissioned - set up in error” status. The other 748 ICPs have no NSP assigned and are not ready for activation.

Audit outcome

Compliant

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

Code reference

Clause 15 Schedule 11.1

Code related audit information

If an ICP has had the status of “New” or has had the status of “Ready” for 24 months or more:

- *the distributor must ask the trader who intends to trade at the ICP whether the ICP should continue to have that status (Clause 15(2)(a) of Schedule 11.1)*
- *the distributor must decommission the ICP if the trader advises that the ICP should not continue to have that status (Clause 15(2)(b) of Schedule 11.1).*

Audit observation

Monitoring of “new” and “ready” status is discussed in the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

The audit compliance reports showed 19 ICPs at “ready” status for more than 24 months and 19 ICPs at “new” status for more than 24 months.

29 of the ICPs were moved to “decommissioned - set up in error” status after the retailer confirmed they were no longer required, and one ICP has moved to “active”. The other ICPs are at “ready” status and are awaiting initial electrical connection or investigation where the retailer has indicated they may no longer be required. In all cases the retailer had been contacted in the previous nine months.

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*
 - o *the plant name of the embedded generating station.*

Audit observation

The list file was examined to determine compliance.

Audit commentary

Review of the registry list confirmed that no embedded generation over 10 MW is connected.

Audit outcome

Compliant

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

Distributor audit report V16

The registry list was examined to determine compliance.

Audit commentary

TENC obtains permission from the trader before electrically connecting ICPs.

Review of the registry list confirmed that no unmetered load is connected. TENC does not intend to connect any other unmetered load to the networks in the future.

Audit outcome

Compliant

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

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 to manage this are discussed in the TENCO agent report.

Audit commentary

Compliance is confirmed for the process detailed in the TENCO agent report.

TENC only conduct disconnection where ICPs are to be decommissioned and they obtain permission from the trader prior to decommissioning. No ICPs were electrically disconnected by TENCO during the audit period.

Audit outcome

Compliant

3.18. 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 process to manage this is discussed in the TENCO agent report. I checked for any bridged meters.

Audit commentary

Compliance is confirmed in the TENCO agent report. I confirmed that no meters were bridged during the audit period.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

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

Code reference

Clause 8 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The management of this process is discussed in the TENCO report. The registry list and audit compliance reports were examined to determine compliance.

Initial population of data for new connections is discussed in **sections 3.4** and **3.5**.

Audit commentary

When information that is held by the registry changes, the distributor responsible for that ICP must provide notice to the registry of that change within three business days of that change taking effect. The audit compliance report was reviewed to identify late updates to ICP information.

Address updates for existing ICPs

Date range	Number of late updates	% Compliance	Average Days
2020	155	90.74%	0.45
2021	3	99.10%	8.71
2022	38	95.11%	1.21

All of the late updates were made 20 business days after the event date for ICPs connected to TPD0011. All were corrections to unit numbers.

Pricing updates for existing ICPs

Date range	Number of late updates	% Compliance	Average Days
2020	14	99.64%	N/A
2021	23	99.34%	N/A
2022	77	96.80%	N/A

The latest update was made 1,558 business days after the event date. 57 late updates were within ten business days of the event date and 59 were within 40 business days of the event date. I checked all 18

late updates made 295 days or more after the event date and found they were caused by backdated corrections following the previous audit, or an ICP network switch being incorrectly reversed where TENCO needed the parent network to update their events before the pricing update could be processed.

NSP change updates for existing ICPs

Date range	Number of late updates	% Compliance	Average Days
2021	0	N/A	N/A
2022	2	N/A	N/A

The audit compliance report recorded two NSP changes updated more than eight business days after the event date. One was not genuine, as the NSP did not change. The other was a correction which was correctly backdated to the ICPs start date.

Distributed generation updates for existing ICPs

Date range	Number of late updates	% Compliance	Average Days
2020	0	N/A	N/A
2021	2	N/A	47
2022	3	0.00%	6.00

All three late updates were made six business days after the event date and were updated once confirmation of the correct generation information was received, or missing data was identified through TENCO's validation process. ICP 0000015190TCDB6's network update on 9 May 2022 to add distributed generation had an incorrect event date, and I could not confirm the correct event date or generation capacity for ICP 0000014176TC723's network update on 23 November 2021. This is discussed further in **section 4.6**.

Network updates for existing ICPs

Date range	Number of late updates	% Compliance	Average Days
2020	3	99.87%	N/A
2021	0	100.00%	N/A
2022	27	98.85%	0.21

Five of the late updates were within ten business days of the event date, 23 were within 20 business days and all were within 42 business days. I checked the ten latest updates:

- two late updates were not genuine as they were populating the initial electrical connection dates for new connections, and the updates were made within ten business days of initial electrical connection,
- two updates for ICPs 1002000212TC586 and 1002000213TC9C3 failed because the file of updates contained address unit numbers which exceeded the maximum number of characters allowed by the registry, and there was a delay in identifying and reprocessing the failed updates,
- one ICP was missed from a list of updates for all ICPs connected to the NSP and was updated following a request from the trader 24 business days after the event date, and
- one ICP had an NSP correction backdated to the ICP's start date.

Status updates

Date range	Number of late updates	% Compliance	Average Days
2020	2	98%	1.38
2021	0	100%	1.13
2022	8	79.49%	2.08

Four of the late updates were not genuine, because the registry was updated within one day of the trader's update to "inactive - ready for decommissioning" status. The other four late updates were delayed by TENCO needing MEPs to reverse later records before the ICPs were decommissioned, and the status was updated within one business day of the MEP completing the reversal.

The late registry updates are recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Oct-21 To: 04-Oct-22	38 late address updates. 77 late pricing updates. One late NSP change. Three late distributed generation updates. 25 late network updates. Four late status updates to decommissioned. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are sufficient to ensure updates are on time most of the time The risk is assessed as low as a relatively small proportion of updates were affected, and in many cases TENCO could not update the registry until other parties provided information or reversed their network events.		
Actions taken to resolve the issue		Completion date	Remedial action status
The late address updates were caused by human error there is no reason for an address update to be back dated. 1. The late pricing events were either due to the request from the retailer being missed or a correction to an incorrect pricing code being applied. 2. The late NSP change was due to the SF dashboard not being checked in time.		During the audit period	Identified

<ul style="list-style-type: none"> 3. The late distributed generation input was a result of the initial record for the ICP being incorrectly input and was updated upon finding this human error. 4. The late decommission updates were the result of late updates to Inactive by retailers. 		
Preventative actions taken to ensure no further issues will occur	Completion date	
<ul style="list-style-type: none"> 1. Staff have been reminded of ensuring that address updates are on a go forward only. 2. Requests from retailers is now automated to avoid pricing change requests being missed. 3. Staff have been reminded to check the SF dashboard daily. 4. This was a one-off human error and controls in this space are deemed to be strong. 5. We have no control over the timeliness of updates by other participants. 	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 management of this process is discussed in the TENCO report. The audit compliance reports were examined for any NSP discrepancies.

Audit commentary

Compliance is recorded for TENCO.

The audit compliance report identified eight ICPs which were potentially recorded against an incorrect NSP. All were checked and I confirmed the correct NSPs were recorded, and the NSP was consistent with other ICPs at the same address.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

The distributor must advise a customer (or any person authorised by the customer) or embedded generator of the customer or embedded generator's ICP identifier within 3 business days after receiving a request for that information.

Audit observation

The management of customer queries was examined.

Audit commentary

TENC occasionally receives direct requests for ICP identifiers. These are provided immediately, by looking up the ICP based on information that the customer provides.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to determine correct and unique addresses was examined during the TENCO agent audit. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO. TENCO uses shop, apartment, tenancy and unit numbers and location descriptions to ensure that addresses are unique, and checks are completed for new ICP's on creation. The audit compliance report recorded the following exceptions:

Information populated but not in the expected fields

Five ICPs had complete addresses but the number and property name fields were not populated as expected by the audit compliance report, with location information recorded in the unit number field.

Duplicate and/or incomplete addresses

20 ICPs had duplicate and/or incomplete addresses and were corrected to be readily locatable during the audit. 18 of the ICPs were inherited from parent networks with duplicate and/or incomplete addresses, and two of the ICPs were created by TENCO. The TENCO created duplication occurred because one of the addresses was updated manually, and food court tenancy 2 and tenancy 2 were not clearly differentiated in the addresses. All of the affected addresses were corrected during the audit.

There are currently no specific checks for duplicate or incomplete addresses for ICPs which transfer in from other networks, and I recommend these are completed. Addition of this check would also identify ICPs created by TENCO with incomplete or duplicate addresses.

Description	Recommendation	Audited party comment	Remedial action
Identification and correction of incomplete and duplicate ICP addresses	<p>Review the registry AC020 distributor compliance report - AC020Distributor11 tab at least monthly to identify ICPs where all address fields are the same or where one or more GPS coordinates and street number and property name are null.</p> <p>Any ICPs on the report should have their addresses checked and updated to ensure that they are complete and readily locatable.</p>	We will introduce a process for regular duplicate address checks for ICPs on our embedded networks. We will also add a step into the process for transferring existing ICPs to Tenco embedded networks, whereby checks for duplication are carried out.	Identified

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.4</p> <p>With: Clause 2 Schedule 11.1</p> <p>From: 04-Oct-22</p> <p>To: 04-Oct-22</p>	<p>20 ICPs had duplicate and/or incomplete addresses, which were corrected to be readily locatable and unique during the audit.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Twice previously</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong, as there is a check in place to ensure that all addresses are readily locatable, additional checks will be introduced for inherited sites.</p> <p>The impact is low because in most cases address information is correct.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The duplicate addresses were found during the Veritek review, most were inherited from the local network upon new Embedded Network setup, a few were new ICPs being created by Tenco.		During the audit period	Cleared

Preventative actions taken to ensure no further issues will occur	Completion date	
We will introduce a process for regular duplicate address checks for ICPs on our embedded networks. We will also add a step into the process for transferring existing ICPs to Tenco embedded networks, whereby checks for duplication are carried out. We are establishing reporting which will identify where we have duplicate addresses on our networks	Ongoing	

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

Code reference

Clause 3 Schedule 11.1

Code related audit information

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

Audit observation

The management of this process is discussed in the TENCO report.

Audit commentary

Compliance is recorded for TENCO.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

- *the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)*
- *the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)*
- *the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)*
- *the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)*
- *the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)*
- *if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):*
 - a) *the unique loss category code assigned to the ICP*

- b) *the ICP identifier of the ICP*
- c) *the NSP identifier of the NSP to which the ICP is connected*
- d) *the plant name of the embedded generating station*
- *the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)*
- *if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):*
 - a) *a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity*
 - b) *a blank chargeable capacity if the capacity value can be determined for a billing period from metering information collected for that billing period*
 - c) *if there is more than one capacity value at the ICP, and at least one, but not all, of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
 - (38) *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-*
 - (38) *the annual capacity value recorded in the registry field for the chargeable capacity; and*
 - (ii) *either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
 - e) *the actual chargeable capacity of the ICP in any other case*
- *the distributor installation details for the ICP determined by the price category code assigned to the ICP (if any), which may be placeholder distributor installation details only if the distributor is unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (Clause 7(1)(i) of Schedule 11.1)*
- *the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (Clause 7(1)(j) of Schedule 11.1)*
- *the status of the ICP (Clause 7(1)(k) of Schedule 11.1)*
- *designation of the ICP as "Dedicated" if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under Clause 7(1)(b) of Schedule 11.1, or the ICP is a point of connection between a network and an embedded network (Clause 7(1)(l) of Schedule 11.1)*
- *if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (Clause 7(1)(m) of Schedule 11.1)*
- *if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (Clause 7(1)(n) of Schedule 11.1)*
- *if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):*
 - a) *the nameplate capacity of the generator; and*
 - b) *the fuel type,*

- the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).

Audit observation

The management of registry data is discussed in the TENCO contractor report.

Processes to ensure information is accurate were examined during the TENCO agent audit. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

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

Initial electrical connection dates

The audit compliance reports were reviewed to determine the accuracy of initial electrical connection dates.

Initial electrical connection dates populated for inactive ICPs

22 ICPs had initial electrical connection dates populated and the ICP status remained at “ready” or “inactive - new connection in progress”. All were timing differences and the ICPs were updated to active status by the trader after the report was run.

Active ICPs with missing initial electrical connection dates

ICP 0000070102TC7AC was active from 19 August 2022 but had no initial electrical connection date recorded. A backdated update was completed once TENCO had confirmation that the ICP was connected. The late update is recorded as non-compliance in **section 3.5**.

Consistency with trader active status dates and MEP meter certification dates

11 ICPs created prior to the audit period had initial electrical connection dates which differed from the trader’s active status date, and 11 ICPs had initial electrical connection date and the MEP’s meter certification date. I checked the five ICPs where the initial electrical connection dates were updated during the audit period. TENCO’s initial electrical connection date was correct for four ICPs, and the initial electrical connection date for the other ICP was corrected after the report was run.

477 new ICPs had discrepancies between the initial electrical connection date and meter certification date and/or active status date. Of those:

Scenario	Count	Sample	Issues	Count
Initial electrical connection date = active status date and ≠ meter certification date	74	8	-	TENCO had recorded the correct initial electrical connection date for the sample of eight ICPs checked.
Initial electrical connection date = active status date and ≠ meter certification date (which is before the NSP start date)	396	15	-	TENCO had recorded the correct initial electrical connection date for the sample of ICPs checked.
Initial electrical connection date ≠ active status date and meter certification date	6	6	6	All six ICPs had incorrect initial electrical connection dates, which were corrected during the audit.
Initial electrical connection date ≠ active status date and ≠ meter certification date	1	1	-	TENCO had recorded the correct initial electrical connection date.

Scenario	Count	Sample	Issues	Count
(which is before the NSP start date)				

384 of the 839 ICPs created and initially electricity connected during the audit period had certified meters prior to their initial electrical connection date. Of those:

Scenario	Count	Count
Meters certified prior to the initial electrical connection date where the meter certification date is after the NSP start date	88	I checked a sample of seven ICPs and found none were temporarily electrically connected. All volumes prior to initial electrical connection were expected to be reconciled via the GN ICP on the gate meter prior to the embedded network starting.
Meters certified prior to the initial electrical connection date where the meter certification date is before the NSP start date	296	All of the affected ICPs were connected to the TRN0011, TBM0011, TNPO011, TAG0011 and TPD0011 NSPs. I checked a diverse sample of 15 ICPs connected to different networks and found no ICPs were temporarily electrically connected. All volumes prior to initial electrical connection were expected to be reconciled via the GN ICP on the gate meter prior to the embedded network starting.

Event dates

Event dates should reflect the date that the attributes within the network, address, pricing, or status record apply from. I found that some event dates did not match the date that the event attributes applied from. Sometimes this occurred because a backdated initial electrical connection date was populated once the ICP moved to a TENC network, and TENC is compliant.

For 571 (68%) of initial electrical connection date updates for ICPs created during the audit period and 16 ICPs created before the audit period, the network the event date did not match the date the event attributes applied from. I checked a sample of 15 network updates and found the event date was incorrectly recorded as the update date, one to two days before the update date, or the same as the previous network record's event date. Following discussion during the audit, Tenco have updated their process to ensure that correct event dates are consistently applied. I found that any corrections to events processed after this discussion had correct event dates applied.

ICP 0000015190TCDB6's network update on 9 May 2022 to add distributed generation had an incorrect event date. It should have been 26 May 2022, the day that the generation was connected.

Distributed generation

I was unable to confirm whether the event date and generation capacity were correctly recorded for ICP 0000014176TC723. A network update to add distributed generation of 4.74 kW solar was made effective 23 November 2021. The application received indicated 7.5 kW solar to be installed on 29 November 2021, and other paperwork indicated 7.5 kW solar was installed on 22 November 2021. I recommend that the correct installation date and capacity is confirmed, and the registry updated if necessary.

Description	Recommendation	Audited party comment	Remedial action
Distributed generation details for ICP 0000014176TC723	Check whether the distributed generation details are correct on the registry for ICP 0000014176TC723 and update as necessary.	Original application reviewed and generation capacity corrected in Registry accordingly.	Cleared

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1</p> <p>From: 21-Jun-21 To: 01-Jun-22</p>	<p>Six ICPs had incorrect initial electrical connection dates, which were corrected during the audit.</p> <p>At least 16 network events had incorrect event dates applied.</p> <p>Potential impact: Low</p> <p>Actual impact: None</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
<p>Low</p>	<p>The controls are rated are now rated as strong:</p> <ul style="list-style-type: none"> • processes have been updated to ensure that correct event dates are consistently applied, and • there are robust processes in place to identify and record the correct initial electrical connection date. <p>The audit risk rating is low, as a small number of exceptions were identified, and the incorrect dates were updated once they were identified during the audit.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<ol style="list-style-type: none"> 1. Incorrect IECD's were the result of changes to MEP/retailer events and upon clarification being sought, new dates confirmed and updated to the registry. 2. Tenco has historically populated the network event date as the date of the update was made for IECD updates. 		<p>During the audit period</p>	<p>Identified</p>
Preventative actions taken to ensure no further issues will occur		Completion date	
<ol style="list-style-type: none"> 1. We ensure MEP and Active dates align before using this to update the IECD. Going forward we will monitor reversals to these events to ensure we remain compliant. 2. This process has been updated and going forward the IECD will also be used as the event date. 		<p>Ongoing</p>	

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 management of this process is discussed in the TENCO contractor report. The audit compliance reporting and the registry list were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO audit report in relation to this clause.

As discussed in **section 3.4**, there were 23 ICPs where pricing information was updated after the initial electrical connection date.

- 21 of the ICPs were connected to TRN0011 and information was provided on 4 July 2022 or 5 July 2022 (43 or 44 business days after the 1 May 2022 initial electrical connection date). They were corrections to the chargeable capacity, and an original value had been provided on time.
- Two of the ICPs were connected to TAG0011 information was provided on 21 June 2022 (35 days business days after the 1 May 2022 initial electrical connection date). ICPs 1002000212TC586 and 1002000213TC9C3 had address unit numbers which exceeded the maximum number of characters allowed by the registry in the update file. There was a delay in identifying and reprocessing the failed updates which were completed 35 business days after the event date.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.7 With: Clause 7(3) Schedule 11.1 From: 21-Jun-22 To: 21-Jun-22	Two ICPs had pricing information populated more than ten business days after initial electrical connection. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong, as the process is robust. The impact is low. The two ICPs which had updates 35 business days late were an isolated exception caused by an issue with addressing information.		
Actions taken to resolve the issue		Completion date	Remedial action status
A file upload to the Registry failed due to the character length for the Unit on one of the ICPs. The price code (and other attributes) was updated as soon as we became aware of the issue.		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
A check is now carried out to confirm all file uploads to the Registry have been successful. We are going to start monitoring the *.ack files.		Ongoing	

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

The registry list report was examined to determine compliance.

Audit commentary

493 active ICPs situated across Auckland and Napier have GPS coordinates recorded. I mapped the GPS coordinates using NZTM2000 and confirmed that the coordinate locations were consistent with the physical addresses recorded on the registry for the ICPs.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

Processes to manage ICPs at “ready” status were reviewed as part of the TENCO agent audit. The registry list was examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

477 ICPs which have not been electrically connected are at “ready” status. All have a proposed trader and pricing information recorded. ICPs at “ready” status for more than 24 months are discussed in **section 3.14**.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

It is unlikely that TENC will deal with any ICPs with a “distributor” status because they do not deal with shared unmetered load, and there are no embedded networks connected to existing embedded networks. The registry list was examined 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) of Schedule 11.1).*

Audit observation

The management of this process is discussed in the TENCO contractor report. The registry list, event detail and audit compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

62 ICPs were decommissioned during the audit period, and the registry was updated in accordance with this clause. Eight of the ICPs were updated to “decommissioned” status 23-39 business days after the event date and are discussed in **section 4.1**.

No ICPs are currently at “ready for decommissioning” status.

Audit outcome

Compliant

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

Each entry must specify the date on which each price category code takes effect, which must not be earlier than 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 to determine compliance.

Audit commentary

30 new price category codes have been created since 1 October 2021. All related to new NSPs and were updated on time. There were no changes to existing price categories.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

The loss category code table on the registry was examined to determine compliance.

Audit commentary

TENC created eight new loss factor codes during the audit period. One related to an existing network and seven were related to new networks. All were notified within the required timeframes.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

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

Audit observation

The loss category code table on the registry was examined to determine compliance.

Audit commentary

TENC updated eight loss factor codes twice during the audit period and all were notified within the required period. There was only one loss factor per category code per month.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

If the distributor is creating or decommissioning an NSP that is an interconnection point between two 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*
- *comply with Schedule 11.2.*

Audit observation

The process for the creation and decommissioning of NSPs was reviewed as part of the TENCO agent audit. The NSP table and notifications were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

No NSPs were decommissioned, and no NSPs transferred from TENC to other embedded networks.

31 new NSPs were created during the period reviewed. The reconciliation manager was unable to provide confirmation of when they received notifications relating to new NSPs from TENCO. The Authority is working with the reconciliation manager to ensure that this information can be efficiently provided for future audits. I assessed compliance with Clause 11.8 and Clause 25 Schedule 11.1 using the best information I could reasonably obtain.

Requirement to provide written notice of creation of the NSP 30 days prior to the start date

To determine compliance with the requirement to give written notice of the creation of an NSP to the reconciliation manager at least 30 days prior to the start date, I reviewed emails issued to industry participants by the reconciliation manager advising of creation of the new NSP. These notifications include the NSP and type, flow direction, balancing area, NSP and network embedded under,

reconciliation method, start date and end date. The notifications cannot be issued by the reconciliation manager until the distributor has provided the required information in writing.

Outcome	Quantity	Findings																																																				
Confirmed on time notification	17	The reconciliation manager's notification was 30 days or more before the start date indicating that TENCO has provided the information on time.																																																				
Likely on time notification	2	Two notifications were issued 27-28 days before the start date, and it is likely that notification to the reconciliation manager was on time.																																																				
Inconclusive	11	<p>For ten NSPs TENCO provided only the notification from the RM advising that the LE ICP was updated. Because the email states that it is a change to NSP information, I was able to confirm that these emails were after the original NSP information was provided. The affected NSPs are:</p> <table border="1"> <thead> <tr> <th>NSP</th> <th>NSP Start date</th> <th>Reconciliation manager notification of LE ICP</th> <th>Start - notification</th> </tr> </thead> <tbody> <tr> <td>TAY0011TENCEN</td> <td>2 June 2022</td> <td>20 May 2022</td> <td>13</td> </tr> <tr> <td>TMF0011TENCEN</td> <td>28 April 2022</td> <td>29 April 2022</td> <td>-1</td> </tr> <tr> <td>TMG0011TENCEN</td> <td>28 April 2022</td> <td>29 April 2022</td> <td>-1</td> </tr> <tr> <td>TMO0011TENCEN</td> <td>1 August 2022</td> <td>26 August 2022</td> <td>-25</td> </tr> <tr> <td>TON0011TENCEN</td> <td>20 June 2022</td> <td>11 July 2022</td> <td>-21</td> </tr> <tr> <td>TRN0011TENCEN</td> <td>1 May 2022</td> <td>29 April 2022</td> <td>2</td> </tr> <tr> <td>TRV0011TENCEN</td> <td>19 April 2022</td> <td>29 April 2022</td> <td>-10</td> </tr> <tr> <td>TVI0011TENCEN</td> <td>2 June 2022</td> <td>18 May 2022</td> <td>15</td> </tr> <tr> <td>TNA0011TENCEN</td> <td>1 April 2022</td> <td>29 April 2022</td> <td>-28</td> </tr> <tr> <td>TSW0011TENCEN</td> <td>1 September 2022</td> <td>6 September 2022</td> <td>-5</td> </tr> </tbody> </table> <p>For TTG0011TENCEN the reconciliation manager's notification indicated a change of start date. Because the email states that it is a change to NSP information, I was able to confirm that these emails were after the original NSP information was provided.</p> <table border="1"> <thead> <tr> <th>NSP</th> <th>NSP Start date</th> <th>Reconciliation manager notification of start date change</th> <th>Start - notification</th> </tr> </thead> <tbody> <tr> <td>TTG0011TENCEN</td> <td>1 September 2022</td> <td>26 August 2022</td> <td>6</td> </tr> </tbody> </table> <p>I was unable to assess compliance because insufficient information was available.</p>	NSP	NSP Start date	Reconciliation manager notification of LE ICP	Start - notification	TAY0011TENCEN	2 June 2022	20 May 2022	13	TMF0011TENCEN	28 April 2022	29 April 2022	-1	TMG0011TENCEN	28 April 2022	29 April 2022	-1	TMO0011TENCEN	1 August 2022	26 August 2022	-25	TON0011TENCEN	20 June 2022	11 July 2022	-21	TRN0011TENCEN	1 May 2022	29 April 2022	2	TRV0011TENCEN	19 April 2022	29 April 2022	-10	TVI0011TENCEN	2 June 2022	18 May 2022	15	TNA0011TENCEN	1 April 2022	29 April 2022	-28	TSW0011TENCEN	1 September 2022	6 September 2022	-5	NSP	NSP Start date	Reconciliation manager notification of start date change	Start - notification	TTG0011TENCEN	1 September 2022	26 August 2022	6
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Confirmed late notification	1	One notification was confirmed to be late for new NSP TRS0111-TENC-EN. The information was provided via the RM portal on 28 June 2022 for a start date of 26 July 2022. Tenco provided the information as soon as possible after being advised that the living date for the greenfield development had been moved forward two days and alleged breach 2206TENC1 was raised and closed early.
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The Authority recorded two alleged breaches for late provision of NSP information to the reconciliation manager.

Reference	Clause(s)	Description	Result
2206TENC1	Part 11 clause 11.8 Part 11 Schedule 11.1 clause 25	Tenco self-reported that it failed to provide notice of a new embedded network to the reconciliation manager at least one month prior to the start date for new NSP TRS0111-TENC-EN. The information was provided via the RM portal on 28 June 2022 for a start date of 26 July 2022. Tenco provided the information as soon as possible after being advised that the living date for the greenfield development had been moved forward two days. No ICPs were being transferred from other networks so there was no impact on other participants.	early closure
2111TENC1	Clause 25(5) of schedule 11.1	Tenco did not provide one month's notice of the creation of the TTF0011 NSP. The start date was 20 July 2021.	early closure

Requirement to provide written notice of ICPs moving to a different network

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 no later than three business days before the transfer takes effect, including confirmation of consent from the current distributor for the NSP and all traders with ICPs connected to the NSP, and
- give written notice to each affected reconciliation participant.

For eight of the new NSPs, ICPs were transferred from the parent network to the new embedded network. To assess compliance, I checked that Tenco's notification to the Authority met the requirements of schedule 11.2 and was issued no later than three days before the start date. I also checked whether trader consent was provided, which confirmed that the traders were notified and had provided consent.

Outcome	Quantity	Findings
Confirmed on time notification	8	Notification was provided at least three business days before the NSP start date, including trader consent. Trader notification was also provided on time and the reconciliation manager was advised.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.1 With: Clause 11.8 and Clause 25 Schedule 11.1 From: 20-Jul-21 To: 26-Jul-22	Alleged breaches 2206TENC1 and 2111TENC1 are recorded for late provision of NSP information to the reconciliation manager. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as TENCO's processes are compliant. The audit risk rating is low as the number of late updates was low.		
Actions taken to resolve the issue		Completion date	Remedial action status
2206TENC1 and 2111TENC1 were the result of the late notice of new NSP's to the RM portal, due to last minute changes by our clients to bring living dates forward on Greenfield developments. There was no market impact on any participants and no further action was taken as a result of either breach.		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continuing to remind our clients of the need to advise us of the earliest possible living date on Greenfield developments even if the living date is not absolute to continue to maintain compliance with the code.		Ongoing	

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between 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 process to provide NSP information was reviewed as part of the TENCO agent audit. The NSP table and notifications were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

The reconciliation manager was unable to provide confirmation of when they received notifications relating to new NSPs from TENCO. The Authority is working with the reconciliation manager to ensure that this information can be efficiently provided for future audits. I assessed compliance with Clause 26(1) and (2) Schedule 11.1 for the eight of the new NSPs where ICPs were transferred from the parent network to the new embedded network using the best information I could reasonably obtain.

I reviewed emails issued to industry participants by the reconciliation manager advising of creation of the new NSP. The notifications cannot be issued by the reconciliation manager until the distributor has provided the required information in writing.

Outcome	Quantity	Findings																				
Confirmed on time notification	5	The reconciliation manager's notification was ten business days or more before the start date indicating that TENCO has provided the information on time.																				
Inconclusive	3	<p>For two NSPs TENCO provided only the notification from the RM advising that the LE ICP was updated. Because the email states that it is a change to NSP information, I was able to confirm that these emails were after the original NSP information was provided. The affected NSPs are:</p> <table border="1"> <thead> <tr> <th>NSP</th> <th>NSP Start date</th> <th>Reconciliation manager notification of LE ICP</th> <th>Start – notification business days</th> </tr> </thead> <tbody> <tr> <td>TNA0011TENCEN</td> <td>1 April 2022</td> <td>29 April 2022</td> <td>-19</td> </tr> <tr> <td>TSW0011TENCEN</td> <td>1 September 2022</td> <td>6 September 2022</td> <td>-4</td> </tr> </tbody> </table> <p>For TTG0011TENCEN the reconciliation manager's notification indicated a change of start date. Because the email states that it is a change to NSP information, I was able to confirm that these emails were after the original NSP information was provided.</p> <table border="1"> <thead> <tr> <th>NSP</th> <th>NSP Start date</th> <th>Reconciliation manager notification of start date change</th> <th>Start – notification business days</th> </tr> </thead> <tbody> <tr> <td>TTG0011TENCEN</td> <td>1 September 2022</td> <td>26 August 2022</td> <td>5</td> </tr> </tbody> </table> <p>I was unable to assess compliance because insufficient information was available.</p>	NSP	NSP Start date	Reconciliation manager notification of LE ICP	Start – notification business days	TNA0011TENCEN	1 April 2022	29 April 2022	-19	TSW0011TENCEN	1 September 2022	6 September 2022	-4	NSP	NSP Start date	Reconciliation manager notification of start date change	Start – notification business days	TTG0011TENCEN	1 September 2022	26 August 2022	5
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NSP	NSP Start date	Reconciliation manager notification of start date change	Start – notification business days																			
TTG0011TENCEN	1 September 2022	26 August 2022	5																			

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

Audit observation

The process to provide balancing area information was reviewed as part of the TENCO agent audit. The NSP table and notifications were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

31 new NSPs were created during the audit period (listed in **section 9.1**), and ten NSPs transferred from other networks (listed in **section 9.2**).

The reconciliation manager was unable to provide confirmation of when they received notification of balancing areas from TENCO. The Authority is working with the reconciliation manager to ensure that this information can be efficiently provided for future audits. I assessed compliance with Clause 24(1) and Clause 26(3) Schedule 11.1 using the best information I could reasonably obtain.

Balancing area information for new NSPs

To determine compliance with the requirement to give written notice of the creation of an NSP to the reconciliation manager at least three business days prior to the start date, I reviewed emails issued to industry participants by the reconciliation manager advising of creation of the new NSP. These notifications include the balancing area, start date and end date. The notifications cannot be issued by the reconciliation manager until the distributor has provided the required information in writing.

Outcome	Quantity	Findings																				
Confirmed on time notification	23	The reconciliation manager’s notification was three business days or more before the start date indicating that TENCO has provided the information on time.																				
Inconclusive	8	For eight NSPs TENCO provided only the notification from the RM advising that the LE ICP was updated. Because the email states that it is a change to NSP information, I was able to confirm that these emails were after the original NSP information was provided. The affected NSPs are: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>NSP</th> <th>NSP Start date</th> <th>Reconciliation manager notification of LE ICP</th> <th>Start - notification</th> </tr> </thead> <tbody> <tr> <td>TMF0011TENCEN</td> <td>28 April 2022</td> <td>29 April 2022</td> <td>-1</td> </tr> <tr> <td>TMG0011TENCEN</td> <td>28 April 2022</td> <td>29 April 2022</td> <td>-1</td> </tr> <tr> <td>TMO0011TENCEN</td> <td>1 August 2022</td> <td>26 August 2022</td> <td>-25</td> </tr> <tr> <td>TON0011TENCEN</td> <td>20 June 2022</td> <td>11 July 2022</td> <td>-21</td> </tr> </tbody> </table>	NSP	NSP Start date	Reconciliation manager notification of LE ICP	Start - notification	TMF0011TENCEN	28 April 2022	29 April 2022	-1	TMG0011TENCEN	28 April 2022	29 April 2022	-1	TMO0011TENCEN	1 August 2022	26 August 2022	-25	TON0011TENCEN	20 June 2022	11 July 2022	-21
NSP	NSP Start date	Reconciliation manager notification of LE ICP	Start - notification																			
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TMO0011TENCEN	1 August 2022	26 August 2022	-25																			
TON0011TENCEN	20 June 2022	11 July 2022	-21																			

Outcome	Quantity	Findings			
		TRN0011TENCEN	1 May 2022	29 April 2022	2
		TRV0011TENCEN	19 April 2022	29 April 2022	-10
		TNA0011TENCEN	1 April 2022	29 April 2022	-28
		TSW0011TENCEN	1 September 2022	6 September 2022	-5
		I was unable to assess compliance because insufficient information was available.			

Balancing area information for transferred NSPs

To determine compliance with the requirement to give written notice of the creation of an NSP to the reconciliation manager at least three business days prior to the start date, I reviewed emails issued to industry participants by the reconciliation manager advising of the transfer of the NSP. These notifications include the balancing area, start date and end date. The notifications cannot be issued by the reconciliation manager until the distributor has provided the required information in writing.

Outcome	Quantity	Findings
Confirmed on time notification	10	The reconciliation manager's notification was three business days or more before the start date indicating that TENCO has provided the information on time.

Audit outcome

Compliant

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit observation

The process to provide NSP supporting information was reviewed as part of the TENCO agent audit. The NSP table and notifications were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

31 new NSPs were created during the audit period (listed in **section 9.1**), and ten NSPs transferred from other networks (listed in **section 9.2**).

The reconciliation manager was unable to provide confirmation of when they received notifications relating to balancing areas from TENCO. The Authority is working with the reconciliation manager to ensure that this information can be efficiently provided for future audits. I assessed compliance with Clause 26(4) Schedule 11.1 using the best information I could reasonably obtain.

New NSP network and start date information

To determine compliance with the requirement to give written notice of the creation of an NSP to the reconciliation manager at least 30 days prior to the start date, I reviewed emails issued to industry participants by the reconciliation manager advising of creation of the new NSP which contains the new NSP, network and date the transfer will take place. The notifications cannot be issued by the reconciliation manager until the distributor has provided the required information in writing.

Outcome	Quantity	Findings																																												
Confirmed on time notification	17	The reconciliation manager's notification was 30 days or more before the start date indicating that TENCO has provided the information on time																																												
Likely on time notification	2	Two notifications were issued 27-28 days before the start date, and it is likely that notification to the reconciliation manager was on time.																																												
Inconclusive	11	<p>For ten NSPs TENCO provided only the notification from the RM advising that the LE ICP was updated. Because the email states that it is a change to NSP information, I was able to confirm that these emails were after the original NSP information was provided. The affected NSPs are:</p> <table border="1"> <thead> <tr> <th>NSP</th> <th>NSP Start date</th> <th>Reconciliation manager notification of LE ICP</th> <th>Start - notification</th> </tr> </thead> <tbody> <tr> <td>TAY0011TENCEN</td> <td>2 June 2022</td> <td>20 May 2022</td> <td>13</td> </tr> <tr> <td>TMF0011TENCEN</td> <td>28 April 2022</td> <td>29 April 2022</td> <td>-1</td> </tr> <tr> <td>TMG0011TENCEN</td> <td>28 April 2022</td> <td>29 April 2022</td> <td>-1</td> </tr> <tr> <td>TMO0011TENCEN</td> <td>1 August 2022</td> <td>26 August 2022</td> <td>-25</td> </tr> <tr> <td>TON0011TENCEN</td> <td>20 June 2022</td> <td>11 July 2022</td> <td>-21</td> </tr> <tr> <td>TRN0011TENCEN</td> <td>1 May 2022</td> <td>29 April 2022</td> <td>2</td> </tr> <tr> <td>TRV0011TENCEN</td> <td>19 April 2022</td> <td>29 April 2022</td> <td>-10</td> </tr> <tr> <td>TVI0011TENCEN</td> <td>2 June 2022</td> <td>18 May 2022</td> <td>15</td> </tr> <tr> <td>TNA0011TENCEN</td> <td>1 April 2022</td> <td>29 April 2022</td> <td>-28</td> </tr> <tr> <td>TSW0011TENCEN</td> <td>1 September 2022</td> <td>6 September 2022</td> <td>-5</td> </tr> </tbody> </table> <p>For TTG0011TENCEN the reconciliation manager's notification indicated a change of start date. Because the email states that it is a change to NSP information, I was able to confirm that these emails were after the original NSP information was provided.</p>	NSP	NSP Start date	Reconciliation manager notification of LE ICP	Start - notification	TAY0011TENCEN	2 June 2022	20 May 2022	13	TMF0011TENCEN	28 April 2022	29 April 2022	-1	TMG0011TENCEN	28 April 2022	29 April 2022	-1	TMO0011TENCEN	1 August 2022	26 August 2022	-25	TON0011TENCEN	20 June 2022	11 July 2022	-21	TRN0011TENCEN	1 May 2022	29 April 2022	2	TRV0011TENCEN	19 April 2022	29 April 2022	-10	TVI0011TENCEN	2 June 2022	18 May 2022	15	TNA0011TENCEN	1 April 2022	29 April 2022	-28	TSW0011TENCEN	1 September 2022	6 September 2022	-5
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Outcome	Quantity	Findings			
		NSP	NSP Start date	Reconciliation manager notification of start date change	Start - notification
		TTG0011TENCEN	1 September 2022	26 August 2022	6
		I was unable to assess compliance because insufficient information was available.			
Confirmed late notification	1	One notification was confirmed to be late for new NSP TRS0111-TENC-EN. The information was provided via the RM portal on 28 June 2022 for a start date of 26 July 2022. Tenco provided the information as soon as possible after being advised that the living date for the greenfield development had been moved forward two days and alleged breach 2206TENC1 was raised and closed early.			

Tenco continue to make every effort to obtain the LE ICP from the parent networks as soon as possible.

New NSP LE ICPs

To determine compliance with the requirement to give written notice of the LE ICP to the reconciliation manager at least 30 days prior to the start date, I reviewed emails issued to industry participants by the reconciliation manager advising that an LE ICP had been added and LE ICP creation dates.

Outcome	Quantity	Findings			
Confirmed on time notification	1	The LE ICP was created more than 30 days before the start date, and the email from the reconciliation manager advising the LE ICP had been added was more than 30 days before the start date.			
Likely on time notification	9	For all nine NSPs the LE ICP was created more than 30 days before the start date. For two NSPs the email from the reconciliation manager advising that the LE ICP had created was less than 30 days before the start date.			
Confirmed late notification	21	21 LE ICPs were not created until less than 30 days before the start date. I note that in some cases the network start date may be before the connection date. The affected NSPs are:			
		NSP	Start date	Earliest LE ICP event date	Start - Earliest LE ICP event date
		TAY0011TENCEN	2 June 2022	19 May 2022	14
		TFR0011TENCEN	2 June 2022	20 May 2022	13
		TGS0012TENCEN	3 March 2022	22 February 2022	9
		TMF0011TENCEN	28 April 2022	19 April 2022	9
		TMG0011TENCEN	28 April 2022	19 April 2022	9
		TMO0011TENCEN	1 August 2022	9 August 2022	-8

Outcome	Quantity	Findings			
		TPD0011TENCEN	24 January 2022	26 January 2022	-2
		TRN0011TENCEN	1 May 2022	20 April 2022	11
		TRS0111TENCEN	26 July 2022	11 July 2022	15
		TRV0011TENCEN	19 April 2022	6 April 2022	13
		TSF0011TENCEN	1 July 2022	14 June 2022	17
		TVI0011TENCEN	2 June 2022	17 May 2022	16
		TVN0011TENCEN	13 October 2021	14 September 2021	29
		TNA0011TENCEN	1 April 2022	7 March 2022	25
		TTG0011TENCEN	1 September 2022	11 August 2022	21
		TAL0011TENCEN	1 December 2022	Nil	
		TCN0011TENCEN	1 November 2022	Nil	
		TMN0011TENCEN	1 October 2022	14 October 2022	-13
		TMP0011TENCEN	1 August 2022	Nil	
		TSH0011TENCEN	1 October 2022	17 October 2022	-16
		TWR0011TENCEN	10 October 2022	Nil	

Transferred NSP network and start date information

To determine compliance with the requirement to give written notice of the creation of an NSP to the reconciliation manager at least 30 days prior to the start date, I reviewed emails issued to industry participants by the reconciliation manager advising of creation of the new NSP which contains the new NSP, network and date the transfer will take place. The notifications cannot be issued by the reconciliation manager until the distributor has provided the required information in writing.

Outcome	Quantity	Findings
Confirmed on time notification	10	The reconciliation manager's notification was 30 days or more before the start date indicating that TENCO has provided the information on time

Transferred NSP LE ICPs

To determine compliance with the requirement to give written notice of the LE ICP to the reconciliation manager at least 30 days prior to the start date, I confirmed that existing LE ICPs were present prior to the NSPs being transferred.

Outcome	Quantity	Findings
Confirmed on time notification	10	All of the transferred NSPs had existing LE ICPs prior to the transfer.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.4 With: Clause 26(4) Schedule 11.1 From: 01-Oct-20 To: 31-Aug-21	One late notification of new NSP network and start date information. 21 late notifications of new NSP LE ICP information. 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 moderate because Tenco have not provided the required notice consistently across the LE ICP number requests. Tenco's processes to make sure LE ICPs are requested are compliant, but there are often delays in receiving these from the parent network. The audit risk rating is low because almost all other required information was provided on time.		
Actions taken to resolve the issue		Completion date	Remedial action status
Tenco is reliant on the timely provision of LE ICP's upon request from the local network, in many cases the provision of these from the local network is late thus causing Tenco non-compliance as if we were to wait then we would end up short notifying the NSP to the RM which in our view carries more market impact than the late provision of the LE ICP in the RM portal as the LE ICP serves no purpose within it. Furthermore, the RM portal only holds 1 LE ICP per NSP whereas in many cases there are multiple LE ICP's to an NSP thus the records are incomplete in any case (we do include these in the notes section of the portal)		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We apply for LE ICP's as early as we are able to do so and prior to the notification of the NSP to the RM however due to the sometimes slow process within the Local Networks for the creation of the LE ICP's (which at times is understandable as these are not just simple connections) then we end up non-compliant with the provision of the LE ICP's but are meeting the 1 months notice period of the NSP.		Ongoing	

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The process to maintain balancing area information was reviewed as part of the TENCO agent audit. The NSP table was examined.

Audit commentary

Compliance is recorded for TENCO. 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

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

6.7. Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

If the distributor wishes to transfer an ICP, the distributor must give written notice to the Authority in the prescribed form, no later than 3 business days before the transfer takes effect.

Audit observation

The ICP transfer process was reviewed as part of the TENCO agent audit. The NSP table, registry list and notifications were reviewed to determine compliance.

Audit commentary

Compliance is recorded for TENCO. ICPs were transferred for eight new NSPs where ICPs transferred from the parent network (listed in **section 9.1**), and ten existing embedded networks which transferred from other distributors to TENC (listed in **section 9.2**).

I reviewed TENCO's notifications to the Authority and confirmed that they were on time except for FTS0011 and ROM0011, which had alleged breaches recorded.

Reference	Clause(s)	Description	Result
2202TENC1	Part 11 Schedule 11.2 clause 4	TENCO self-reported that it failed to submit GXP transfer files to the Authority no later than three business days before the transfer was to take effect. TENCO had received consent from all retailers for FTS0011 and NFC0011 by 24 January 2022 but due to a misinterpretation sent the DS-010 file and supporting information to the Authority on 27 January 2022 for a transfer date of 1 February 2022.	early closure
2202TENC2	Part 11 Schedule 11.2 clause 4	TENCO self-reported that it failed to submit GXP transfer files to the Authority no later than three business days before the transfer was to take effect. TENCO were transferring ICPs from NSP ROM0011 and the DS-010 file and supporting information was sent on 25 February 2022 for a start date of 1 March 2022. The delay was caused by increased workloads relating to pricing changes occurring at the same time the transfer was being prepared.	early closure

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.7 With: Clause 11.8 and Clause 25 Schedule 11.1 From: 01-Feb-22 To: 25-Feb-22	Alleged breaches 2202TENC1 and 2202TENC2 are recorded for late provision of ICP transfer information to the reconciliation manager. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	Controls are rated as strong as TENCO's processes are compliant. The audit risk rating is low as the number of late updates was low, and notification was provided prior to the start date.

Actions taken to resolve the issue	Completion date	Remedial action status
2202TENC1 and 2202TENC2 were the result of DS-010 files being rejected due to formatting errors. They were initially submitted on time but the time taken to reformat the files caused a delay which resulted in the late notice for transfer to the reconciliation manager. These were reported as self-breaches and found to have no market impact.	During the audit period	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
DS-010 files are now filed as soon as retailer consent has been received to allow enough time to resolve any errors.	Ongoing	

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

- *there is 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 as part of the TENCO agent audit. The NSP table was examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO.

Changes to existing meter certification

I identified 24 NSPs which had changes to NSP meter certifications during the audit period. I obtained the meter certification record and update date from the reconciliation manager, and compared this to the MEP, meter certification date and expiry date provided by TENCO. I matched the meter certification MEP, certification date and certification expiry date to the physical certificate for the 23 NSPs where this information was provided.

Outcome	Quantity	Findings																																								
Confirmed on time notification	14	14 certification expiry updates were processed by the reconciliation manager within 20 business days of the meter certification date. The meter details recorded on the NSP table were consistent with TENCO's records and the meter certificate.																																								
Inconclusive	1	The meter certification details were not provided so compliance could not be assessed.																																								
Confirmed late notification	9	<p>Nine certification expiry updates were not processed by the reconciliation manager within 20 business days of the meter certification date.</p> <table border="1"> <thead> <tr> <th>NSP</th> <th>Cert date</th> <th>Reconciliation manager update date</th> <th>Business days</th> </tr> </thead> <tbody> <tr> <td>PHP0011TENCEN</td> <td>22 March 2022</td> <td>17 May 2022 11:18</td> <td>38</td> </tr> <tr> <td>TGC0011TENCEN</td> <td>6 May 2013</td> <td>13 Dec 2021 15:33</td> <td>2163</td> </tr> <tr> <td>TGS0011TENCEN</td> <td>10 May 2022</td> <td>4 Aug 2022 12:44</td> <td>59</td> </tr> <tr> <td>TSG0011TENCEN</td> <td>20 March 2018</td> <td>14 June 2022 10:36</td> <td>1061</td> </tr> <tr> <td>TTC0011TENCEN</td> <td>7 July 2022</td> <td>8 Aug 2022 12:49</td> <td>21</td> </tr> <tr> <td>TWA0011TENCEN</td> <td>29 Jan 2018</td> <td>29 Nov 2021 15:04</td> <td>962</td> </tr> <tr> <td>WPK0011TENCEN</td> <td>24 August 2017</td> <td>19 Nov 2021 14:22</td> <td>1062</td> </tr> <tr> <td>WSC0011TENCEN</td> <td>25 Nov 2020</td> <td>12 April 2022 14:56</td> <td>345</td> </tr> <tr> <td>WWC0011TENCEN</td> <td>27 April 2021</td> <td>29 Nov 2021 15:05</td> <td>152</td> </tr> </tbody> </table> <p>I checked the accuracy of meter certification records in the NSP table against TENCO's records and the certificates.</p> <ul style="list-style-type: none"> TTC0011TENCEN was recorded in the NSP table with expiry date 7 July 2023, certification and TENCO's records show 7 July 2032. TRV0011TENCEN is recorded in the NSP table with expiry date 13 April 2023 but should have 13 April 2032. TMF0011TENCEN is recorded in the NSP table with expiry date 20 May 2027 but should have 19 May 2027. <p>Compliance is recorded for TENCO as this appears to be a reconciliation manager data entry error. I recommend that the exceptions in the NSP table are investigated and corrected.</p>	NSP	Cert date	Reconciliation manager update date	Business days	PHP0011TENCEN	22 March 2022	17 May 2022 11:18	38	TGC0011TENCEN	6 May 2013	13 Dec 2021 15:33	2163	TGS0011TENCEN	10 May 2022	4 Aug 2022 12:44	59	TSG0011TENCEN	20 March 2018	14 June 2022 10:36	1061	TTC0011TENCEN	7 July 2022	8 Aug 2022 12:49	21	TWA0011TENCEN	29 Jan 2018	29 Nov 2021 15:04	962	WPK0011TENCEN	24 August 2017	19 Nov 2021 14:22	1062	WSC0011TENCEN	25 Nov 2020	12 April 2022 14:56	345	WWC0011TENCEN	27 April 2021	29 Nov 2021 15:05	152
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Description	Recommendation	Audited party comment	Remedial action
Follow up metering information errors on the NSP table with the reconciliation manager	TTC0011TENCEN was recorded in the NSP table with expiry date 7 July 2023, certification and Tenco's records show 7 July 2032. TRV0011TENCEN is recorded in the NSP table with expiry date 13 April 2023 but should have 13 April 2032. TMF0011TENCEN is recorded in the NSP table with expiry date 20 May 2027 but should have 19 May 2027.	TTC0011TENCEN, TRV0011TENCEN and TMF0011TENCEN were initially given incorrect meter cert expiry dates in the RM portal. This was due to human error, and all have since been corrected.	Cleared

Expired meter certification for existing NSPs

The NSP table was reviewed, and I found five existing NSPs had expired meter certification as of 20 September 2022. All five were re-certified after the table was reviewed and the NSP table has been updated. Meter certification for new NSPs is reviewed in **section 6.9**.

Audit outcome

Non-compliant

Non-compliance	Description	
Audit Ref: 6.8 With: Clause 10.25(1) and 10.25(3) From: 01-Oct-21 To: 04-Oct-22	Meter certification details were updated more than 20 business days after the certification date for nine NSPs. Meter certification was expired for five ICPs at the time the checks were completed, and later recertified. Potential impact: Low Actual impact: Low Audit history: Three times Controls: Moderate Breach risk rating:2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation.	
Actions taken to resolve the issue	Completion date	Remedial action status
Tenco enters the metering certification from the MEP as soon as we receive and process the paperwork, in some cases the MEP's paperwork is late thus causing Tenco to be non-compliant.	During the audit period	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
Tenco continue to proactively follow up for meter paperwork with the MEP when it has not been received. Contracting with the MEP's directly from the 01/10/2021 we anticipate should assist with the timeliness of meter install paperwork.	Ongoing	

6.9. Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2))

Code reference

Clause 10.25(2)

Code related audit information

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

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

Audit observation

Processes to ensure that meters are present and certified were reviewed as part of the TENCO agent audit. The NSP table was examined, and notifications were reviewed.

Audit commentary

31 new NSPs were created during the audit period (listed in **section 6.1**).

The reconciliation manager was unable to provide confirmation of when they received notification of certification information for new NSPs from TENCO. The Authority is working with the reconciliation manager to ensure that this information can be efficiently provided for future audits. I assessed compliance with Clause 10.25(2) using the best information I could reasonably obtain.

Timeliness of meter certification

TENCO provided meter certifications for 14 of the 31 new NSPs created during the audit period.

Outcome	Quantity	Findings
Confirmed on time notification	1	One NSP was confirmed to have meter certification and notification to the reconciliation manager provided within five business days of the NSP connection date and meter certification date.
Likely on time notification	8	Eight NSPs had meter certification dates within five business days of NSP start date (or connection date), and it is likely that the notification of meter certification was on time. The actual date of notification could not be confirmed because this information was not provided by the reconciliation manager.

Outcome	Quantity	Findings																								
Inconclusive	20	Meter certifications were not provided by TENCO, and the date of notification by the RM was not provided.																								
Confirmed late notification	5	<p>Five NSPs had meter certification dates at least 17 days after the NSP start date.</p> <table border="1"> <thead> <tr> <th>POC code</th> <th>Start date</th> <th>Meter certification date</th> <th>Business days</th> </tr> </thead> <tbody> <tr> <td>TFR0011TENCEN</td> <td>2 June 2022</td> <td>30 August 2022</td> <td>61</td> </tr> <tr> <td>TMF0011TENCEN</td> <td>28 April 2022</td> <td>20 May 2022</td> <td>17</td> </tr> <tr> <td>TMO0011TENCEN</td> <td>1 August 2022</td> <td>15 September 2022</td> <td>34</td> </tr> <tr> <td>TRS0111TENCEN</td> <td>26 July 2022</td> <td>1 September 2022</td> <td>28</td> </tr> <tr> <td>TSF0011TENCEN</td> <td>1 July 2022</td> <td>4 August 2022</td> <td>24</td> </tr> </tbody> </table>	POC code	Start date	Meter certification date	Business days	TFR0011TENCEN	2 June 2022	30 August 2022	61	TMF0011TENCEN	28 April 2022	20 May 2022	17	TMO0011TENCEN	1 August 2022	15 September 2022	34	TRS0111TENCEN	26 July 2022	1 September 2022	28	TSF0011TENCEN	1 July 2022	4 August 2022	24
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Expired or missing meter certification for new NSPs

The NSP table was reviewed, and I found 11 new NSPs which had reached their start dates but did not have an MEP or meter certification recorded. Ten were later certified, and the NSP table was updated prior to the audit being completed.

The following NSP remained uncertified at the time the audit was completed. Compliance is recorded because the NSP was not connected and did not have any ICPs connected to it.

NSP	Start date	MEP
TMP0011TENCEN	1 August 2022	<p>The NSP is not expected to be connected until 1 January 2023 and no meter is installed. The existing building will transfer to the new embedded network once connected on 1 January 2023 and new ICPs will not be connected until 18 January 2023.</p> <p>TENCO notified the earliest possible start date when notification of the new NSP was created, but the physical connection has been delayed.</p>

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.9 With: Clause 10.25(2) From: 28-Apr-22 To: 01-Dec-22	Five new NSPs had late meter certifications. 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 moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Tenco enters the metering certification from the MEP as soon as we receive and process the paperwork, in some cases the MEP's paperwork is late thus causing Tenco to be non-compliant.		During the audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Tenco continue to proactively follow up for meter paperwork with the MEP when it has not been received. Contracting with the MEP's directly from the 01/10/2021 we anticipate should assist with the timeliness of meter install paperwork.		Ongoing	

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) of Schedule 11.1)*
- *every reconciliation participant who trades at an ICP connected to the acquired network or part of the network acquired (Clause 29(1)(d) of Schedule 11.1).*

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

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

Audit observation

Processes for management of network owner changes were reviewed as part of the TENCO agent audit. The NSP table on the registry was examined.

Audit commentary

Compliance is recorded for TENCO.

The reconciliation manager was unable to provide confirmation of when they received notifications relating to transferred NSPs from TENCO. The Authority is working with the reconciliation manager to ensure that this information can be efficiently provided for future audits. I assessed compliance with Clause 29 Schedule 11.1 for the ten transferred NSPs using the best information I could reasonably obtain.

To determine compliance with the requirement to give written notice of the creation of an NSP to the reconciliation manager, network owner, participants, and Authority at least 30 days prior to the start date, I reviewed emails issued to industry participants by the reconciliation manager which provides NSP transfer details. The notifications cannot be issued by the reconciliation manager until the distributor has provided the required information in writing.

Outcome	Quantity	Findings
Confirmed on time notification	10	The reconciliation manager's notification was 30 days or more before the start date indicating that TENCO has provided the information on time.

I assessed compliance with Clause 6 Schedule 11.2 by determining which traders had ICPs connected to each NSP, then comparing this to the trader consent information provided by TENC to ensure all relevant traders were contacted for consent.

Outcome	Quantity	Findings
All ICPs and traders included	10	All relevant traders and ICPs were included.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The management of this process is discussed in the TENCO contractor report. The Network Supply Points table was examined to determine whether there have been any MEP changes during the audit period.

Audit commentary

There have been no MEP changes during the audit period.

Audit outcome

Compliant

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

The NSP table and the registry list were examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO. ICPs were transferred for eight new NSPs where ICPs transferred from the parent network (listed in **section 9.1**), and ten existing embedded networks which transferred from other distributors to TENC (listed in **section 9.2**).

I assessed compliance by reviewing trader notifications and acceptances for each of the affected networks, and confirmation of trader and distributor acceptance communicated to the Authority.

Outcome	Quantity	Findings
Consent obtained on time	18	Consent was obtained on time for eight new ICPs where ICPs transferred from the parent network and ten existing embedded networks which transferred from other distributors to TENC.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The NSP table and the registry list were examined, and notifications were reviewed.

Audit commentary

Compliance is recorded for TENCO. ICPs were transferred for eight new NSPs where ICPs transferred from the parent network (listed in **section 9.1**), and ten existing embedded networks which transferred from other distributors to TENC (listed in **section 9.2**).

I assessed compliance with Clause 6 Schedule 11.2 by determining which traders had ICPs connected to each NSP, then comparing this to the trader consent information provided by TENC.

Outcome	Quantity	Findings
All ICPs and traders included	18	All relevant traders and ICPs were included.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

The registry list 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 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

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

The calculation of loss factors is discussed in the TENCO report.

Audit commentary

Compliance is recorded for TENCO.

TENCO derives loss factors for loss category codes from the published parent network loss factors for similar installations. It is expected that ICPs on embedded networks will have the same loss factor as a similar type of connection on the parent network.

To do this, TENCO determines the gateway loss factor from the LE ICP's loss factor, then determines the local network loss factor which would be likely to apply to the embedded network ICPs if they were connected to the local network. TENCO then calculates the overall loss factor and multiplies this by the local network loss factor to determine the value for each embedded network loss factor code.

TENCO maintains the internal loss factors on the registry, and within their pricing schedules which are issued to retailers.

I compared the loss factors applied to each ICP to TENC's loss factor mapping tables, and the parent network's loss factors. All TENC loss factors values were calculated based on the current loss factors for the parent network.

The previous audit found NSP CGA0011 had an incorrect loss factor applied, and backdated corrections have now been processed.

A residual loss factor needs to have an internal loss factor of 1.00 so as the RM calculations of the volume are correct. The SB ICP loss factors were checked, 19 ICPs had loss factors of 1.00 and eight had loss factors greater than 1.00. TENCO has corrected the loss factors for the eight ICPs effective from 1 September 2021 (14 months prior) or the ICP start date whichever was later.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 8.1 With: Clause 11.2 From: 01-Oct-21 To: 04-Oct-22	Incorrect loss factors were recorded for eight SB ICPs, which were corrected during the audit. 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 recorded as moderate because they mitigate risk most of the time, but there is room for improvement. The impact on settlement and participants is minor as only eight ICPs were affected.		
Actions taken to resolve the issue	Completion date	Remedial action status	
Incorrect loss factors were applied to eight SB ICPs due to human error. Corrections were made as soon as we became aware of the inaccuracies.	During the audit period	Cleared	
Preventative actions taken to ensure no further issues will occur	Completion date		
Regular loss factor reviews are carried out as part of in-house checks.	Ongoing		

9. NSP DATA

9.1. New NSPs

Network participant	POC code	Start date	ICP comment
TENC	TVN0011	13 October 2021	ICPs created by TENC
TENC	TPD0011	24 January 2022	ICPs created by TENC
TENC	TNP0011	1 February 2022	ICPs created by TENC
TENC	TGS0012	3 March 2022	ICPs created by TENC
TENC	TRV0011	19 April 2022	ICPs created by TENC
TENC	TMF0011	28 April 2022	ICPs created by TENC
TENC	TMG0011	28 April 2022	ICPs created by TENC
TENC	TAG0011	1 May 2022	ICPs created by TENC
TENC	TRN0011	1 May 2022	ICPs created by TENC
TENC	TAY0011	2 June 2022	ICPs created by TENC
TENC	TFR0011	2 June 2022	ICPs created by TENC
TENC	TVI0011	2 June 2022	ICPs created by TENC
TENC	TON0011	20 June 2022	ICPs created by TENC
TENC	TBM0011	1 July 2022	ICPs created by TENC
TENC	TSF0011	1 July 2022	ICPs created by TENC
TENC	TRS0111	26 July 2022	ICPs created by TENC
TENC	TMO0011	1 August 2022	ICPs created by TENC
TENC	TRM0011	1 January 2022	ICPs transferred from parent network
TENC	TNA0011	1 April 2022	ICPs transferred from parent network
TENC	TCE0011	1 May 2022	ICPs transferred from parent network
TENC	TVA0011	1 July 2022	ICPs transferred from parent network
TENC	TCM0011	1 September 2022	ICPs transferred from parent network
TENC	TRA0011	1 September 2022	ICPs transferred from parent network
TENC	TSW0011	1 September 2022	ICPs transferred from parent network

Network participant	POC code	Start date	ICP comment
TENC	TTG0011	1 September 2022	ICPs transferred from parent network
TENC	TMP0011	1 August 2022	No ICPs created as of 4 October 2022
TENC	TMN0011	1 October 2022	No ICPs created as of 4 October 2022
TENC	TSH0011	1 October 2022	No ICPs created as of 4 October 2022
TENC	TWR0011	10 October 2022	No ICPs created as of 4 October 2022
TENC	TAL0011	1 December 2022	No ICPs created as of 4 October 2022
TENC	TCN0011	1 November 2022	No ICPs created as of 4 October 2022

9.2. NSPs transferred from other networks

POC code	Start date
DSH0011	1 January 2022
DSO0011	1 January 2022
DTE0011	1 June 2022
EMB0011	1 May 2022
ESC0011	1 April 2022
FTS0011	1 February 2022
NFC0011	1 February 2022
OTF0011	1 January 2022
ROM0011	1 March 2022
TPS0011	1 April 2022

CONCLUSION

The audit found 15 non-compliances and three recommendations are made. The next audit frequency table indicates an audit risk rating of 21 indicating that the next audit be due in six months. The non-compliances have a low materiality and single issues affecting a small number of ICPs or NSPs are recorded as non-compliance across several sections, inflating the risk rating score. Taking this and TENCO's comments into account, I recommend that the next audit is completed in 12 months.

PARTICIPANT RESPONSE

Tenco have reviewed the above audit report on the 1st February 2023 and are in agreement with the findings contained within it, we note that whilst it is disappointing to have 15 non-compliances found it is noted that there are across a minor number of ICP's and overall the level of compliance across the majority of transaction/actions remains high and continues to improve.