

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**

For

**SCANPOWER**

Prepared by: Allan Borcoski Borcoski Energy Services Ltd

Date audit commenced: 29 May 2023

Date audit report completed: 7 June 2023

Audit report due date: 16-Jul-23

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## EXECUTIVE SUMMARY

This distributor audit was performed at the request of Scanpower (SCAN) as required by clause 11.10 of Part 11, to assure compliance with the Electricity Industry Participation Code 2010. The relevant rules audited are as required by the Guidelines for Distributor Audits V7.0 issued by the Electricity Authority.

This audit found Scanpower's compliance management to be diligent and well organised resulting in a low number of discrepancies observed. The systems and processes used were appropriate to the number of ICPS connected on the Network. Registry updates were mostly completed manually reflecting the type of discrepancies found, although SFTP was used for larger volume updates. Suggestions from previous audits have been implemented, for example a suggestion from the last audit for the distributed generation installation date was to use the installation electrician's certificate of compliance(COC) or record of inspection (ROI) date was taken up. Nonetheless obtaining such information from contractors Scanpower do not directly manage is an ongoing challenge and results in a number of the discrepancies observed, as it is for other Networks.

The audit recorded 4 non compliances, all with low audit risk. 2 non compliances were corrected during the audit.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. Table 1 of the Guidelines for Distribution Participant audit provides some guidance on this matter.

The Future Risk Rating score for this audit is 8 which results in an indicative audit frequency of 18 months. We concur with this result.

We thank Scanpower staff for their full and complete cooperation in this audit.

The audit period was 1 December 2021 to 30 April 2023

## 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)             | A small number of registry information in the Registry was inaccurate.                             | Moderate | Low               | 2                  | Identified      |
| Changes to registry information                                 | 4.1     | 8 Schedule 11.1     | A small number of registry information updates were later than 3 business days from the event date | Moderate | Low               | 2                  | Identified      |
| Distributors to Provide ICP Information to the Registry manager | 4.6     | 7(1) Schedule 11.1  | 2 x ICPs had incorrect distributed generation information in the Registry                          | Moderate | Low               | 2                  | Cleared         |
| Management of Decommissioned status                             | 4.11    | 20 of Schedule 11.1 | 3 x ICPs had incorrect Decommission reason provided to the Registry.                               | Moderate | Low               | 2                  | Cleared         |
| Future Risk Rating  |         |                     |  |          |                   | 8                  |                 |

|                            |           |           |           |           |          |          |
|----------------------------|-----------|-----------|-----------|-----------|----------|----------|
| Future risk rating         | 1-2       | 3-6       | 7-9       | 10-19     | 20-24    | 25+      |
| Indicative audit frequency | 36 months | 24 months | 18 months | 12 months | 6 months | 3 months |

### RECOMMENDATIONS

| Subject | Section | Recommendation | Description |
|---------|---------|----------------|-------------|
| Nil     | Nil     | Nil            | Nil         |

### ISSUES

| Subject | Section | Issue | Description |
|---------|---------|-------|-------------|
| Nil     | Nil     | Nil   | 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

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

#### Audit commentary

We checked the Electricity Authority website and confirm that there are no exemptions in place.

### 1.2. Structure of Organisation

| Scanpower Limited - Organisational Staffing Summary as at 30 May 2023   |   |   |   |             |    |         |    |           |   |           |   |              |           |
|---|---|---|---|-------------|----|---------|----|-----------|---|-----------|---|--------------|-----------|
| <b>CONTRACTING</b><br>Andrew Haste <i>General Manager - Contracting</i><br>Wayne Walsh <i>Depot Manager</i><br>Dave Smith <i>Depot Manager</i><br>Tyson Maki <i>Operations Manager</i><br>Daryl Gilmore <i>Project Manager</i><br>Marty Taljaard <i>Project Manager</i><br>Daniel Baker <i>Project Manager</i><br>Allen Hutchison <i>Project Manager</i><br>Bruce Mills <i>Project Manager</i><br>Matt Clapham <i>Project Manager</i><br>Michael Slater <i>Designer &amp; Estimator</i><br>Michelle Makene <i>Administration Coordinator</i><br>Joanne Hirst <i>Project Support Officer</i><br>Maureen Caroll <i>Contracting Administrator</i><br>Robin Smith <i>Foreman</i><br>Ethan Walsh <i>Foreman</i><br>Stephen Balchin <i>Foreman</i><br>Jacob Smith <i>Foreman</i><br>Mike Sandbrook <i>Foreman</i><br>Damian Horgan <i>Foreman</i><br>Kevin Jones <i>Foreman</i><br>Daniel Liddington <i>Leading Hand</i><br>Jason McConachy <i>Line Mechanic</i><br>Gavin Levave <i>Line Mechanic</i><br>Justin Mills <i>Line Mechanic</i><br>Kevin Brider <i>Line Mechanic</i> | <b>CONTRACTING - CONTINUED</b><br>Calum Joselyn <i>Line Mechanic</i><br>Joshua Barnes <i>Line Mechanic/Cable Joiner</i><br>Bryce Quartley <i>Cable Joiner Team Leader</i><br>Kingsley Teppett <i>Cable Joiner</i><br>Mohammed Hussain <i>Trainee Line Mechanic</i><br>Kyle Potter <i>Trainee Line Mechanic</i><br>Nicholas Charlton <i>Trainee Line Mechanic</i><br>Grayson Donnelly <i>Trainee Line Mechanic</i><br>Dallas Munro <i>Trainee Line Mechanic</i><br>Reece Wyatt <i>Trainee Line Mechanic</i><br>Devon Fraser <i>Trainee Line Mechanic</i><br>Rubin Smith <i>Trainee Line Mechanic/Electrician</i> | <b>NETWORK</b><br>Peter Rue <i>Network Manager</i><br>Tristan Smiley <i>Operations Engineer</i><br>Eldon Bailey <i>Project Manager - CIW</i><br>Niraj Kunverji <i>Design &amp; Planning Engineer</i><br>Petrus Albertyn <i>Delivery Manager</i><br>Aaron Bowles <i>Electrical Inspector</i><br>Blanche Taljaard <i>Network Coordinator</i><br>Chris Peffers <i>Foreman</i><br>Simon Gore <i>Leading Hand</i><br>Luke Gray-Stuart <i>Line Mechanic/Cable Joiner</i><br>Larry Duncan <i>Line Mechanic</i><br>Stu Butler <i>Line Mechanic - Maintenance</i><br>Tama Petera <i>Faultman</i><br>John Oemcke <i>Faultman</i><br>Patrick Markman <i>Faultman</i><br>Keegan Brieske <i>Faultman</i> | <table border="1"> <tr> <td>CONTRACTING</td> <td>38</td> </tr> <tr> <td>NETWORK</td> <td>16</td> </tr> <tr> <td>TREESMART</td> <td>9</td> </tr> <tr> <td>CORPORATE</td> <td>9</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>72</b></td> </tr> </table> | CONTRACTING | 38 | NETWORK | 16 | TREESMART | 9 | CORPORATE | 9 | <b>TOTAL</b> | <b>72</b> |
| CONTRACTING   | 38  |   |   |             |    |         |    |           |   |           |   |              |           |
| NETWORK   | 16  |   |   |             |    |         |    |           |   |           |   |              |           |
| TREESMART   | 9   |   |   |             |    |         |    |           |   |           |   |              |           |
| CORPORATE   | 9   |   |   |             |    |         |    |           |   |           |   |              |           |
| <b>TOTAL</b>  | <b>72</b>   |   |   |             |    |         |    |           |   |           |   |              |           |
| <b>CORPORATE</b><br>Lee Bettles <i>Chief Executive Officer</i>  |   |   |   |             |    |         |    |           |   |           |   |              |           |
| <b>PEOPLE, PLANT &amp; PROPERTY</b><br>Brent Dais <i>Chief Operations Officer</i><br>Mark Holdaway <i>Property Manager</i><br>Sarah Garnett <i>Coordinator - HSQT</i>   |   |   |   |             |    |         |    |           |   |           |   |              |           |
| <b>INFORMATION TECHNOLOGY</b><br>Stu Jacob <i>Chief Information Officer</i>   |   |   |   |             |    |         |    |           |   |           |   |              |           |
| <b>PEOPLE &amp; COMMUNICATIONS</b><br>Amy Gibbs <i>People &amp; Comms Manager</i>   |   |   |   |             |    |         |    |           |   |           |   |              |           |
| <b>FINANCE &amp; ADMINISTRATION - ORINGI</b><br>Ben van der Spuy <i>Company Accountant</i><br>Gillian Dailey <i>Accountant</i><br>Kathryn Peffers <i>Assistant Accountant</i>   |   |   |   |             |    |         |    |           |   |           |   |              |           |

### 1.3. Persons involved in this audit

| Name           | Role                                   | Company                      |
|----------------|--|------------------------------|
| Tristan Smiley | Operations Engineer                    | Scanpower                    |
| Allan Borcoski | Electricity Authority Approved Auditor | Borcoski Energy Services Ltd |

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

### Audit observation

There are no contractors who assist with, or are used in, the Scanpower operations that were audited.

### Audit commentary

During the audit, we did not identify any contractors who assist Scanpower to meet their obligations relevant to the scope of this audit.

## 1.5. Supplier list

There were no suppliers who assisted Scanpower during the audit period with the operations audited.

## 1.6. Hardware and Software

| Software                                       | Purpose  |
|--|--|
| A MS Access Database called "The ICP Database" | <ul style="list-style-type: none"> <li>• stores information about ICPs and provide exception reporting.</li> </ul> |

## 1.7. Breaches or Breach Allegations

Scanpower has stated it has no breaches of the Electricity Industry Participation Code related to this audit

A check of the Electricity Authority website found no breaches or alleged breaches were recorded in the period covered by this audit.

## 1.8. ICP and NSP Data

| Distributor | NSP POC | Description | Parent POC | Parent Network | Balancing Area | Network type | Start date | No of ICPs |
|-------------|---------|-------------|------------|----------------|----------------|--------------|------------|------------|
| SCAN        | DVK0111 | DANNEVIRKE  | N/A        | N/A            | DANNEVKSCANG   | G            | 1/05/08    | 5,708      |
| SCAN        | WVD0111 | WOODVILLE   | N/A        | N/A            | WOODVLLSCANG   | G            | 1/05/08    | 1,518      |

| Status       | Number of ICPs (09/05/2023) | Number of ICPs (2021) | Number of ICPs (2020) |
|--------------|-----------------------------|-----------------------|-----------------------|
| New (999,0)  | 7                           | 9                     | 10                    |
| Ready (0,0)  | 0                           | 5                     | 5                     |
| Active (2,0) | 6,830                       | 6,741                 | 6,701                 |

|  |      |       |     |
|--|------|-------|-----|
| Distributor (888,0)  | 0    | 0     | 0   |
| Inactive – new connection in progress (1,12)                         | 4    | 5     | 5   |
| Inactive – electrically disconnected vacant property (1,4)           | 363  | 384   | 369 |
| Inactive – electrically disconnected remotely by AMI meter (1,7)     | 19   | 17    | 16  |
| Inactive – electrically disconnected at pole fuse (1,8)              | 2    | 3     | 3   |
| Inactive – electrically disconnected due to meter disconnected (1,9) | 1    | 1     | 2   |
| Inactive – electrically disconnected at meter box fuse (1,10)        | 0    | 0     | 0   |
| Inactive – electrically disconnected at meter box switch (1,11)      | 0    | 0     | 0   |
| Inactive – electrically disconnected ready for decommissioning (1,6) | 0    | 8     | 5   |
| Inactive – reconciled elsewhere (1,5)                                | 0    | 0     | 0   |
| Decommissioned (3)   | 1035 | 1,006 | 990 |

### 1.9. Authorisation Received

Scanpower provided a letter of authorisation to the auditor permitting the collection of data from other parties for matters directly related to the audit.

### 1.10. Scope of Audit

The audit covers the following processes under clause 16A.23 of Part 16A, performed by Scanpower, as listed below:

- a. The creation of ICP identifiers for ICPs
- b. The provision of ICP information to the registry and the maintenance of that information
- c. The creation and maintenance of loss factors

The audit was carried out by telecon on 2 June 2023

### 1.11. Summary of previous audit

The previous audit was carried out in December 2021 by Ewa Glowacka of TEG & Associates Ltd. The findings of the audit are shown below:

| Subject  | Section | Clause  | Non Compliance   | Comment      |
|--|---------|---------|--|--------------|
| Requirement to provide complete and accurate information | 2.1     | 11.2(2) | A small quantity of information in the Registry was inaccurate | Still exists |



|  |      |                              |   |              |
|--|------|------------------------------|---|--------------|
| Timeliness of Provision of ICP Information to the Registry manager | 3.4  | 7(2) of Schedule 11.1        | 3 ICPs did not have the status "Ready" prior to electricity being traded at the ICP   | Cleared      |
| Timeliness of Provision of Initial Electrical Connection Date      | 3.5  | 7(2A) of Schedule 11.1       | Initial Electrical Connection Date (IECD) was recorded for 6 new ICPs more than 10 days after the event                               | Cleared      |
| Changes to Registry information                                    | 4.1  | 8(1)(b)&(4) of Schedule 11.1 | A small number of Registry information updates were later than 3 business days from the event date                                    | Still exists |
| Distributors to Provide ICP Information to the Registry manager    | 4.6  | 7(1) Schedule 11.1)          | One UML ICP did not have details populated, incorrect information for 6 ICPs with embedded generation, and incorrect IECD for one ICP | Still exists |
| Management of "ready" status                                       | 4.9  | 14 of Schedule 11.1          | 3 ICPs had the status "Ready" backdated   | Cleared      |
| Management of "decommissioned" status                              | 4.11 | 20 of Schedule 11.1          | Decommissioning date for one ICP was recorded incorrectly   | Still exists |

## 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

This was discussed with Scanpower staff what processes were in place to ensure accurate information was provided to the registry. The Audit Compliance Report, LIS and EDA files were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection, 15 Distributed Generation connection and 15 ICP Decommission records were reviewed along with the Registry.

#### Audit commentary

Scanpower has traceability of information from customers, other participants field staff, contractors through its service email inboxes and subsequently the ICP database. (MS Access). An ICP record is created and all information relating to that ICP is stored in that file record. . Registry information updates are made using a combination of SFTP and manual entry through the registry web browser. The ICP database includes exception reporting to enable identification of discrepancies between the ICP database and Registry information. The Audit Compliance report and LIS file are also downloaded and compared with the ICP database at no more than 2 monthly intervals.

There were a relatively small number of registry information discrepancies identified by the audit.

The table below shows the summary of registry discrepancies:

| Section | Registry Discrepancy   |
|---------|--|
| 4.1     | <ul style="list-style-type: none"><li>• 1 x Address update was greater than 3 business days from the event</li><li>• 7 x Distributed Generation updates were greater than 3 business days from the event</li><li>• 8 x ICP Decommission updates were greater than 3 business days from the event</li></ul> |
| 4.6     | <ul style="list-style-type: none"><li>• 2 x ICPs had incorrect Distributed Generation information in the Registry</li></ul>  |
| 4.11    | <ul style="list-style-type: none"><li>• 3 x ICPs had incorrect Decommission reason provided to the Registry</li></ul>  |

#### Audit outcome

Non-compliant

## NON-COMPLIANCE

| Non-compliance   | Description   |                 |                        |
|--|---|-----------------|------------------------|
| Audit Ref: 2.1<br>With: Clause 11.2(1)<br><br>From: 01-Dec-21<br>To: 30-Apr-23 | A small number of registry information in the Registry was inaccurate.<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: Twice previously<br><br>Controls: Moderate<br><br>Breach risk rating: 2 |                 |                        |
| Audit risk rating  | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>   | Controls are recorded as moderate. Exception reporting is in place and results in this area continually improve. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.             |                 |                        |
| Actions taken to resolve the issue   |   | Completion date | Remedial action status |
| 4.6 and 4.11 corrected at time of audit.                                       |   | 7/06/2023       | Identified             |
| Preventative actions taken to ensure no further issues will occur              |   | Completion date |                        |
| Continue exception reporting.  |   | On-going        |                        |

## 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

A check of the Audit Compliance Summary Report, the LIS file for the audit period. We discussed with Scanpower Staff what processes were in place to identify information discrepancies in their systems and the registry, and the methods to correct that data as soon as practicable.

### Audit commentary

Issues raised in the previous audit appear to have been recognised and actions to have been taken to improve processes to prevent repeated non-compliance.

The Audit Compliance report and LIS file are downloaded and compared with the ICP database at no more than 2 monthly intervals.

### Audit outcome

Compliant

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

### Code reference

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

### Code related audit information

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

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

- ensure 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

This was discussed with Scanpower staff.

### Audit commentary

Scanpower owns load control devices installed on their network. Scanpower staff state that in the rare situation where seals are broken they are replaced by appropriately trained staff.

### 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

This was discussed with Scanpower staff. The Scanpower website was reviewed.

### Audit commentary

Checks confirm that information about Utilities Disputes is provided on the Scanpower website.

### 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

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

##### Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A file is created in the ICP database containing address information, NSP, price category code, loss factor, connection type. A network capacity check is completed using the GIS. Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower creates the new ICP using the Registry web interface. The ICP is initially set up in the Registry as NEW and the ICP is provided to the customer to enable them to engage with a Retailer. When the customers chosen Retailer accepts the ICP via email, the ICP is updated in the Registry to READY.

72 new ICPs were created during the audit period.

Checks confirm the process met the code requirements.

##### 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

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

##### Audit commentary

Customers or their agents apply directly to Scanpower for a new ICP connection to the network.

Participants do not apply for or request ICPs on the Scanpower Network.

This clause is not applicable to Scanpower. Compliance was not assessed.

## **Audit outcome**

Not applicable

### 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**

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

#### **Audit commentary**

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A file is created in the ICP database containing address information, NSP, price category code, loss factor, connection type. A network capacity check is completed using the GIS. Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower creates the new ICP using the Registry web interface. The ICP is initially set up in the Registry as NEW and the ICP is provided to the customer to enable them to engage with a Retailer. When the customers chosen Retailer accepts the ICP via email, the ICP is updated in the Registry to READY.

72 new ICPs were created during the audit period.

Checks of the random sample of 15 new ICP connection records and Registry confirmed all supporting information such as price category code, loss factor and connection type were assigned to the ICP when the ICP is initially created in the Registry.

The process met the code requirements.

#### **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**

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

### Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A file is created in the ICP database containing address information, NSP, price category code, loss factor, connection type. A network capacity check is completed using the GIS. Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower creates the new ICP using the Registry web interface. The ICP is initially set up in the Registry as NEW usually on the same day as approval is given and the ICP is provided to the customer to enable them to engage with a Retailer. When the customers chosen Retailer accepts the ICP via email the ICP is updated in the Registry to READY.

Checks of the random sample of 15 new ICP connection records and Registry confirmed all supporting information such as price category code, loss factor and connection type were assigned to the ICP when the ICP is initially created in the Registry.

The checks confirmed the process met code requirements.

### Audit outcome

Compliant

## 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

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

### Audit commentary

Scanpower informs the retailer of the agreed network connection date. Scanpower's staff carry out the connection to the network on the agreed date and notify the retailer of the completed ICP connection status. Scanpower staff return the Electrical Safety Certificate (ESC) to the office and the IECD is entered into the ICP Database and the Registry.

The Retailer arranges for its MEP to install metering, Scanpower uses best endeavours to coordinate the physical network connection with the metering contractor to have a connection completed the same day. If co-ordination with the MEP contractor cannot be achieved, the ICP may be connected to the network to an agreed disconnect point (locked off and tagged) prior to the metering point. In these situations, the IECD will be the date provided to Scanpower as the date the MEP installed and commissioned the metering.

92 ICPs were connected during the audit period. All ICPs connected had the Initial Electrical Connection Date (IECD) populated in the Registry. The random sample of 15 new ICP connection records reviewed demonstrated a manual but effective process.

One ICP 0004405320CA8FD was identified as having an IECD four days prior to the metering installation date and seven days prior to the Active date. Further investigation discovered this

was an ICP where the ICP was connected to the network at an agreed disconnect point prior to the metering point and locked off and tagged. Metering was installed and the ICP made Active in the Registry based on the metering commissioning date.

Checks confirmed code requirements were met.

### **Audit outcome**

Compliant

## 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**

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

### **Audit commentary**

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A file is created in the ICP database containing address information, NSP, price category code, loss factor, connection type. A network capacity check is completed using the GIS. Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower creates the new ICP using the Registry web interface. The ICP is initially set up in the Registry as NEW usually on the same day as approval is given and the ICP is provided to the customer to enable them to engage with a Retailer.

The customer does not specify a proposed retailer on their application for new connection. The customer's chosen Retailer accepts the ICP and requests connection to the network via email and the ICP is updated in the Registry with the proposed Retailer. The Registry changes the ICP status to READY.

Checks of the random sample of 15 new ICP connection records and Registry confirmed all ICPs acceptance were received from the Retailer and recorded in the Registry before the ICP was connected to the network.

The process met the code requirements.

Scanpower has no shared unmetered load on its network.

### **Audit outcome**



Compliant

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

#### Code reference

Clause 10.31

#### Code related audit information

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

#### Audit observation

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

#### Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A file is created in the ICP database containing address information, NSP, price category code, loss factor, connection type. A network capacity check is completed using the GIS. Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower creates the new ICP using the Registry web interface. The ICP is initially set up in the Registry as NEW usually on the same day as approval is given and the ICP is provided to the customer to enable them to engage with a Retailer.

The customer does not specify a proposed retailer on their application for new connection. The customer's chosen Retailer accepts the ICP and requests connection to the network via email and the ICP is updated in the Registry with the proposed Retailer. The Registry changes the ICP status to READY.

Checks of the random sample of 15 new ICP connection records and Registry confirmed all ICPs acceptance were received from the Retailer and recorded in the Registry before the ICP was connected to the network.

The process met the code requirements.

Scanpower has no shared unmetered load on its network.

#### 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 documents were reviewed and discussed with Scanpower staff.

#### **Audit commentary**

Scanpower staff state there have not been any requests to temporarily electrically connect any installation during this audit period.

Scanpower staff are aware of the code requirements in this area.

#### **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 LIS and the Registry were checked for the audit period. The Registry NSP table was reviewed, and the clause discussed with Scanpower

#### **Audit commentary**

A check of the NSP table in the Registry shows that Scanpower did not have any NSP on its network that was not a point of connection to the grid during the audit period.

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

### 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 LIS and the Registry were checked for the audit period. The Registry NSP table was reviewed, and the clause discussed with Scanpower

### Audit commentary

A check of the NSP table in the Registry shows that Scanpower did not have any NSP on its network that was not a point of connection to the grid during the audit period.

This clause is not applicable. Compliance was not assessed.

### Audit outcome

Not applicable

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

### Code reference

*Clause 1(1) Schedule 11.1*

### Code related audit information

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

*yyyyyyyyyyxxxx where:*

- *yyyyyyyyyy 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 new connection process documents were reviewed and discussed with Scanpower staff. The LIS was checked and a random sample of 15 new ICP connection records were reviewed along with the Registry.

### Audit commentary

ICP numbers are created and uploaded to the Registry once the new connection application process is completed. Unique ICP numbers are generated with a network connection number derived from historical meter reading rounds combined with the distributor code CA. The final ICP identifier is coded in a way that indicates the geographical location of a network connection.

The connection number is run through the checksum application provided by the Electricity Authority. Once it is created, the ICP number is manually copied to the ICP database and is then uploaded to the Registry via the web interface.

We verified that the tool creates ICPs with the correct format.

#### **Audit outcome**

Compliant

### 3.12. Loss category (Clause 6 Schedule 11.1)

#### **Code reference**

*Clause 6 Schedule 11.1*

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

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

#### **Audit observation**

The new connection process documents were reviewed and discussed with Scanpower staff. The LIS was checked and a random sample of 15 new ICP connection records were reviewed along with the Registry.

#### **Audit commentary**

The loss category code is assigned to an ICP when it is first uploaded to the Registry. The Registry design does not allow the assigning of more than a single loss category code to an ICP.

Checks confirm all ICPs with the status “new”, “ready”, “active”, “inactive” have a single loss category code.

#### **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**

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

#### **Audit commentary**

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A file is created in the ICP database containing address information, NSP,

price category code, loss factor, connection type. A network capacity check is completed using the GIS. Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower creates the new ICP using the Registry web interface. The ICP is initially set up in the Registry as NEW usually on the same day as approval is given and the ICP is provided to the customer to enable them to engage with a Retailer. The customer's chosen Retailer accepts the ICP and requests connection to the network via email and the ICP is updated in the Registry with the proposed Retailer. The Registry changes the ICP status to READY.

Scanpower enters all new ICPs into the Registry without a proposed trader therefore the Registry assigns the ICP a status of NEW.

Checks of the random sample of 15 new ICP connection records and Registry confirmed code requirements were met.

**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**

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period.

**Audit commentary**

Scanpower regularly checks ICPs that have been in NEW or READY status for longer than twenty-four months. The following table identifies four ICPs where a Retailer has not accepted responsibility for them and hence no proposed Retailer is recorded in the Registry. Scanpower is unable to confirm the intentions of a Retailer for these ICPs.

ICPs in Registry with NEW status greater than 24 months

|                 |      |
|-----------------|------|
| 0003404956CAEA5 | 2016 |
| 0003903490CAF0F | 2017 |
| 0004907210CA3E3 | 2017 |
| 0005303010CAA74 | 2020 |

Checks confirm there were no ICPs with the status READY recoded in the Registry for longer than twenty-four 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

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period.

#### Audit commentary

Scanpower does not have any embedded generation with a capacity of 10 MW or greater connected to its network.

This clause is not applicable. Compliance was not assessed.

#### Audit outcome

Not applicable

### 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

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

#### Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A file is created in the ICP database containing address information, NSP, price category code, loss factor, connection type. A network capacity check is completed using the GIS. Once the application is approved and the connection fees paid (or deposit paid where works need to be completed) Scanpower creates the new ICP using the Registry web interface.

The ICP is initially set up in the Registry as NEW usually on the same day as approval is given and the ICP is provided to the customer to enable them to engage with a Retailer.

The customer does not specify a proposed retailer on their application for new connection. The customer's chosen Retailer accepts the ICP and requests connection to the network via email and the ICP is updated in the Registry with the proposed Retailer. The Registry changes the ICP status to READY.

Scanpower informs the retailer of the agreed network connection date. Scanpower's staff carry out the connection to the network on the agreed date and notify the retailer of the completed ICP connection status. Scanpower staff return the Electrical Safety Certificate (ESC) to the office and the IECD is entered into the ICP Database and the Registry.

The Retailer arranges for its MEP to install metering, Scanpower uses best endeavours to co-ordinate the physical network connection with the metering contractor to have a connection completed the same day. If co-ordination with the MEP contractor cannot be achieved, the ICP may be connected to the network to an agreed disconnect point (locked off and tagged) prior to the metering point. In these situations, the IECD will be the date provided to Scanpower as the date the MEP installed and commissioned the metering.

Checks of the random sample of 15 new ICP connection records and Registry confirmed all ICPs acceptance were received from the Retailer and recorded in the Registry before the ICP was connected to the network.

Checks confirm the process met the code requirements.

#### **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**

This was discussed with Scanpower staff.

#### **Audit commentary**

Scanpower Staff may carry out permanent disconnection/decommissions of ICPs in conjunction with a Retailer and/or safety disconnections in the case of weather events, fire or vehicle incidents for example.

All other temporary disconnections of an ICP are managed by Retailers using Scanpower Staff  
Scanpower Staff are aware of the obligations of this clause.

#### **Audit outcome**

Compliant

### 3.18. Meter bridging (Clause 10.33C)

## **Code reference**

*Clause 10.33C*

## **Code related audit information**

*An 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**

This was discussed with Scanpower staff.

## **Audit commentary**

Scanpower Staff do not bridge metering.

Customers are asked to contact their Retailer in the first instance if they have no power at an ICP and there is no Network outage. The Retailer will request an MEP contractor to restore power to the ICP.

## **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 13<sup>th</sup> 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

This was discussed with Scanpower staff. The Audit Compliance Summary Report and the EDA file for the audit period was reviewed. A random sample of 15 new ICP connection, 15 distributed generation and 15 decommission records were reviewed along with the Registry.

#### Audit commentary

Information changes in the registry are made using the Registry web browser interface. The ICP database has a range of exception reports available and exception reporting is currently run at regular intervals. The new Audit Summary Report will also assist with exception reporting in this area. It was noted that retailers continue to request backdated event dates for distributor information, Scanpowers preference is to comply with clause 11.2 and provide accurate information to the registry.

The Audit Compliance report identified the following:

| Activity                          | Total Updates | No of Updates greater than 3 days | Range in days |
|-----------------------------------|---------------|-----------------------------------|---------------|
| Address<br>(not new Connection)   | 45            | 1                                 | 4             |
| Network Other<br>(excluding IECD) | 0             | 0                                 | 0             |
| Distributed Generation            | 15            | 7                                 | 7-59          |
| Pricing                           | 4959          | 0                                 | 0             |
| Decommission Status 3,2           | 24            | 8                                 | 4-53          |

The single address Registry update discrepancy occurred over the area anniversary weekend so the Registry update was held up by a day.

Checks confirm Record of Inspection information for Distributed Generation installations is obtained by Scanpower, however it is not provided to Scanpower in time to meet the 3 business day code requirement. Unfortunately it is a common industry problem.

Scanpower manages the physical permanent disconnection from the network but is reliant on the Retailer updating the registry to Ready for decommissioning (1,6) and Scanpower Staff regularly check for 1,6 status changes to enable an ICP Registry status to be updated to decommissioned.

ICPs 0001400500CA0DC, 0004605387CA5F0 and 0004605390CA297 were Decommissioned in the Registry with an event date of 27/02/2023 responding to an email request from Meridian on 24/03/2023, the delay was caused by a metering date preventing the decommission update.

**Audit outcome**

Non-compliant

**NON-COMPLIANCE**

| Non-compliance  | Description   |                 |                        |
|---|---|-----------------|------------------------|
| Audit Ref: 4.1<br>With: Clause 8 of Schedule 11.1<br><br>From: 01-Dec-21<br>To: 30-Apr-23 | A small number of registry information updates were greater than 3 business days from the event date<br><br>Potential impact: Low<br><br>Actual impact: Low<br><br>Audit history: Multiple times<br><br>Controls: Moderate<br><br>Breach risk rating: 2 |                 |                        |
| Audit risk rating   | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>  | Controls are recorded as moderate. Exception reporting is in place and results in this area continually improve. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.   |                 |                        |
| Actions taken to resolve the issue  |   | Completion date | Remedial action status |
| Continue exception reporting  |   | On-going        | Identified             |
| Preventative actions taken to ensure no further issues will occur                         |   | Completion date |                        |
| Continue exception reporting  |   | On-going        |                        |

**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**

This was discussed with Scanpower staff. The Audit Compliance Summary Report and the LIS file for the audit period were reviewed

#### **Audit commentary**

Scanpower have only two NSPs on its network. The configuration of the network does not allow them to “shift” ICPs between NSPs

#### **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 new connections process was discussed with Scanpower Staff.

#### **Audit commentary**

Scanpower provide the new ICP connection process and related services themselves, so customers or their agents contact Scanpower directly. Queries seeking ICP information or clarification are handled directly by the staff providing the connections process, so the responses are usually immediate. Queries are received typically by phone or email service request. Emails are usually responded to on the same day. Phone queries about ICPs are usually dealt with immediately

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 2 Schedule 11.1*

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

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

#### **Audit observation**

This was discussed with Scanpower staff. The Audit Compliance Summary Report and the LIS file for the audit period were reviewed

### **Audit commentary**

Scanpower have put significant effort into correcting historical address issues over the past few years.

Checks confirmed code requirements were met.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 3 Schedule 11.1*

### **Code related audit information**

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

### **Audit observation**

This was discussed with Scanpower staff.

### **Audit commentary**

The network connection process requires every proposed connection to the network (ICP) to be verified against the GIS to ensure it has a discrete disconnect point and connection to the network prior to an ICP being created. There are no known situations where this may occur.

### **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-*
    - (i) *no capacity value recorded in the registry field for the chargeable capacity; and*
    - (ii) *either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
  - d) *if there is more than one capacity value at the ICP, and none of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
    - (i) *the annual capacity value recorded in the registry field for the chargeable capacity; and*
    - (ii) *either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
  - 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

This was discussed with Scanpower staff. The Audit Compliance Report, LIS reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection and distributed generation connection records were reviewed along with the Registry.

### Audit commentary

The table below outlines the LIS files and Audit compliance reports analysis for this clause for the audit period:

| No IECD in Registry But Active Status | Dist Generation Incorrect Installation Type | Dist Generation No Capacity in registry | Dist Generation No Fuel Type in registry |
|---------------------------------------|---|---|--|
| 0                                     | 2   | 2                                       | 2  |

The Distributed Generation Discrepancies outlined above were corrected at audit. ICP 0002406300CA8D1 was identified in the Audit Compliance report however further investigation found the Solar installation had been removed in 2020.

Checks of the random sample of 15 distributed generation records and Registry verified that the Record of Inspection date was used as the event date in the Registry. There were no IECD issues found after checking the new connection sample. The Audit Compliance report identified one discrepancy between the metering installation date and IECD however further investigation found the IECD was correct.

### Audit outcome

Non-compliant

## NON-COMPLIANCE

| Non-compliance   | Description   |                 |                        |
|--|---|-----------------|------------------------|
| Audit Ref: 4.6<br>With: Clause 7(1) of schedule 11.1<br><br>From: 01-Dec-21<br>To: 30-Apr-23 | 2 x ICPs had incorrect distributed generation information in the Registry<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: Multiple times<br>Controls: Moderate<br>Breach risk rating: 2        |                 |                        |
| Audit risk rating  | Rationale for audit risk rating   |                 |                        |
| <b>Low</b>   | Controls are recorded as moderate. Exception reporting is in place and results in this area continually improve. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low. |                 |                        |
| Actions taken to resolve the issue   |   | Completion date | Remedial action status |
| Corrected at time of audit   |   | 7/06/2023       | Cleared                |
| Preventative actions taken to ensure no further issues will occur                            |   | Completion date |                        |
| Continue exception reporting   |   | On-going        |                        |

#### 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**

This was discussed with Scanpower staff. The Audit Compliance Report, LIS reports were checked for the audit period. Connections process documentation and a random sample of 15 new ICP connection records were reviewed along with the Registry.

##### **Audit commentary**

Scanpower assigns the actual price category code to the ICP at the time an ICP identifier is created and uploaded to the registry.

##### **Audit outcome**

Compliant

#### 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**

This was discussed with Scanpower staff. The Audit Compliance Report, LIS reports were checked for the audit period.

##### **Audit commentary**

Scanpower do not currently populate GPS coordinates in the registry.

Checks of the LIS report confirmed there are no GPS coordinates currently populated in the Registry.

This clause is not applicable. Compliance was not assessed.

##### **Audit outcome**

Not applicable

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

##### Code reference

Clause 14 Schedule 11.1

##### Code related audit information

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

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

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

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

##### Audit observation

This was discussed with Scanpower staff. The Audit Compliance Report, LIS and EDA reports were checked for the audit period.

##### Audit commentary

Scanpower regularly checks ICPs that have been in NEW or READY status for longer than twenty-four months.

The ICP is initially set up in the Registry as NEW usually on the same day as approval is given and the ICP is provided to the customer to enable them to engage with a Retailer. The customer does not specify a proposed retailer on their application for new connection. The customer’s chosen Retailer accepts the ICP and requests connection to the network via email and the ICP is updated in the Registry with the proposed Retailer. The Registry changes the ICP status to READY.

Price category is provided to the Registry at the initial ICP population. Checks confirm all ICPs have a single price category.

Checks confirm there were no ICPs with the status READY recoded in the Registry for longer than twenty-four months.

##### 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



This was discussed with Scanpower staff. The LIS file was checked for the audit period.

### **Audit commentary**

There were no ICPs with the status of Distributor representing shared unmetered load or a connection to an embedded network during this audit period.

This clause is not applicable. Compliance was not assessed.

### **Audit outcome**

Not applicable

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

### **Code reference**

*Clause 20 Schedule 11.1*

### **Code related audit information**

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

*Decommissioning only occurs when:*

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

### **Audit observation**

This was discussed with Scanpower staff. The Audit Compliance Report and LIS file were checked for the audit period. a random sample of 15 Decommission records were reviewed along with the Registry.

### **Audit commentary**

Retailers email requests for ICPs to be Decommissioned to the Scanpower service inbox. A Scanpower technician is dispatched to carry out the Decommission and the completion documentation returned to the Scanpower office. The Scanpower ICP database is updated with the Decommission date and the retailer is notified via email. Scanpower monitors the registry and when the retailer changes the ICP status to “Inactive - ready for decommissioning”, Scanpower updates the registry status of the ICP to Decommissioned.

The eight late Registry Decommission status updates reported in the Audit Compliance report have been previously dealt with under section 4.1.

Despite considerable retrospective Decommission requests from Retailers and meter event reversals to facilitate the Decommission status updates.

ICPs 0001400500CA0DC, 0004605387CA5F0 and 0004605390CA297 were Decommissioned in the Registry with an event date of 27/02/2023 responding to an email request from Meridian on 24/03/2023. The reason given was installation dismantled however a review of the emails provide as part of the random sample show the three Decommissions were actually an ICP amalgamation. The information describes the three low voltage ICPs supplied by a central supply being Decommissioned and replaced by a High Voltage metering installation using ICP 0004605385CA575.

## Audit outcome

Non-compliant

### NON-COMPLIANCE

| Non-compliance  | Description   |                        |
|---|---|------------------------|
| Audit Ref: 4.11<br>With: Clause 20 of schedule 11.1<br>From: 01-Dec-21<br>To: 30-Apr-23 | 3 x ICPs had incorrect Decommission reason provided to the Registry.<br>Potential impact: Low<br>Actual impact: Low<br>Audit history: twice previously<br>Controls: Moderate<br>Breach risk rating: 2                           |                        |
| Audit risk rating   | Rationale for audit risk rating   |                        |
| <b>Low</b>  | Controls are recorded as moderate. MERI requested the Decommissions retrospectively and the physical work was managed by others. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low. |                        |
| Actions taken to resolve the issue  | Completion date   | Remedial action status |
| Corrected at time of audit  | 7/06/2023   | Cleared                |
| Preventative actions taken to ensure no further issues will occur                       | Completion date   |                        |
| Monitor and populate correct decommission reason  | On-going  |                        |

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

#### Code reference

Clause 23 Schedule 11.1

#### Code related audit information

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

*Each entry must specify the date on which each price category code takes effect, which must not be earlier than 2 months after the date the code is entered in the table.*

*A price category code takes effect on the specified date.*

#### Audit observation

This was discussed with Scanpower staff. The Price Category Codes table in the registry was checked.

#### Audit commentary

One new Price Category Code was created in the Registry during this audit period as follows:

| Price Category Code | Description | Start Date | Registry Updated |
|---------------------|-------------|------------|------------------|
| 18                  | Telecom Box | 18/12/2022 | 18/10/2022       |

The code requirements were met.

**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

This was discussed with Scanpower staff. The Loss Category Code table in the registry was checked.

#### Audit commentary

Scanpower did not create any new Loss Category Codes to the registry during the audit period.

#### 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

This was discussed with Scanpower staff. The Loss Category Code table in the registry was checked.

#### Audit commentary

Loss factors have a single value for all trading periods for a year. There are no seasonal loss factor codes for summer or winter. Scanpower has not changed any loss factors since 2008.

#### 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 2 local networks, the distributor must give written notice to the reconciliation manager of the creation or decommissioning.*

*If the embedded network owner is creating or decommissioning an NSP that is an interconnection point between 2 embedded networks, the embedded network owner must give written notice to the reconciliation manager of the creation or decommissioning.*

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

*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

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### Audit commentary

Checks confirmed that no new NSPs were created and no NSPs were decommissioned during the audit period.

#### Audit outcome

Compliant

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

#### Code reference

Clause 26(1) and (2) Schedule 11.1

#### Code related audit information

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

*The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between 2 local networks. In all other cases, the request must be made at least 1 month before the NSP is electrically connected or the ICP is transferred.*

#### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### **Audit commentary**

Scanpower did not create any new NSPs during the audit period therefore the Reconciliation Manager was not asked to create any unique NSP identifiers.

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

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

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

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

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

#### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### **Audit commentary**

Scanpower did not create any new NSPs during the audit period

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 26(4) Schedule 11.1*

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

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

- *the network on which the NSP will be located after the creation or transfer (Clause 26(4)(a))*

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

#### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### **Audit commentary**

During the audit period Scanpower did not create any new NSPs or transfer an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor.

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

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

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

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

#### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### **Audit commentary**

Scanpower has two balancing areas, DANNEVKSCANG and WOODVLLSCANG. There were no changes to balancing areas.

#### **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 1 month before the transfer.*

#### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### **Audit commentary**

Scanpower Staff confirmed that during this audit period Scanpower did not transfer any ICPs that became an NSP for an embedded network.

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 1 to 4 Schedule 11.2*

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

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

#### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### **Audit commentary**

Scanpower Staff confirmed that during this audit period Scanpower did not transfer any ICPs.

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

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

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

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

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

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

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

#### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### **Audit commentary**

Scanpower Staff confirmed that during this audit period Scanpower did not have any NSPs which they are responsible for that are not connections to the grid.

This clause is not applicable. Compliance was not assessed.



### **Audit outcome**

Not applicable

## **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 5 business days after the date of certification of each metering installation, advise the reconciliation manager of*
  - a) *the MEP for the NSP (Clause 10.25(2)(c)(i)); and*
  - b) *the NSP of the certification expiry date (Clause 10.25(2)(c)(ii)).*

### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

### **Audit commentary**

Scanpower Staff confirmed that during this audit period Scanpower did not have any NSPs which they are responsible for that are not connections to the grid.

This clause is not applicable. Compliance was not assessed.

### **Audit outcome**

Not applicable

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

### **Code reference**

*Clause 29 Schedule 11.1*

### **Code related audit information**

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

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

*At least 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**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### **Audit commentary**

Scanpower Staff confirmed that during this audit period Scanpower did not acquire all or part of a new network.

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clause 10.22(1)(b)*

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

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

#### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

#### **Audit commentary**

Scanpower Staff confirmed that Scanpower does not own any embedded networks or responsible for any embedded networks. Scanpower did not establish any embedded networks during the audit period.

This clause is not applicable. Compliance was not assessed.

#### **Audit outcome**

Not applicable

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

#### **Code reference**

*Clauses 5 and 8 Schedule 11.2*

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

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

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

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

### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

### **Audit commentary**

Scanpower Staff confirmed that Scanpower does not own any embedded networks or responsible for any embedded networks. Scanpower did not establish any embedded networks or transfer any ICPs during the audit period.

This clause is not applicable. Compliance was not assessed.

### **Audit outcome**

Not applicable

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

### **Code reference**

*Clause 6 Schedule 11.2*

### **Code related audit information**

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

### **Audit observation**

This was discussed with Scanpower staff. The NSP table in the registry was checked.

### **Audit commentary**

Scanpower Staff confirmed that Scanpower does not own any embedded networks or responsible for any embedded networks. Scanpower did not establish any embedded networks or transfer any ICPs during the audit period.

This clause is not applicable. Compliance was not assessed.

### **Audit outcome**

Not applicable

## 7. MAINTENANCE OF SHARED UNMETERED LOAD

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

#### Code reference

Clause 11.14(2) and (4)

#### Code related audit information

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

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

#### Audit observation

This was discussed with Scanpower staff. The LIS file was checked for the audit period.

#### Audit commentary

Scanpower Staff confirmed that Scanpower has no shared unmetered load on its network.

This clause is not applicable. Compliance was not assessed.

#### Audit outcome

Not applicable

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

#### Code reference

Clause 11.14(5)

#### Code related audit information

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

#### Audit observation

This was discussed with Scanpower staff. The LIS file was checked for the audit period.

#### Audit commentary

Scanpower Staff confirmed that Scanpower has no shared unmetered load on its network.

This clause is not applicable. Compliance was not assessed.

#### Audit outcome

Not applicable

## 8. CALCULATION OF LOSS FACTORS

### 8.1. Creation of loss factors (Clause 11.2)

#### Code reference

Clause 11.2

#### Code related audit information

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

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

#### Audit observation

This was discussed with Scanpower Staff and the Asset management Plans, Information Disclosure documents and Loss Factor information on the Scanpower website was reviewed.

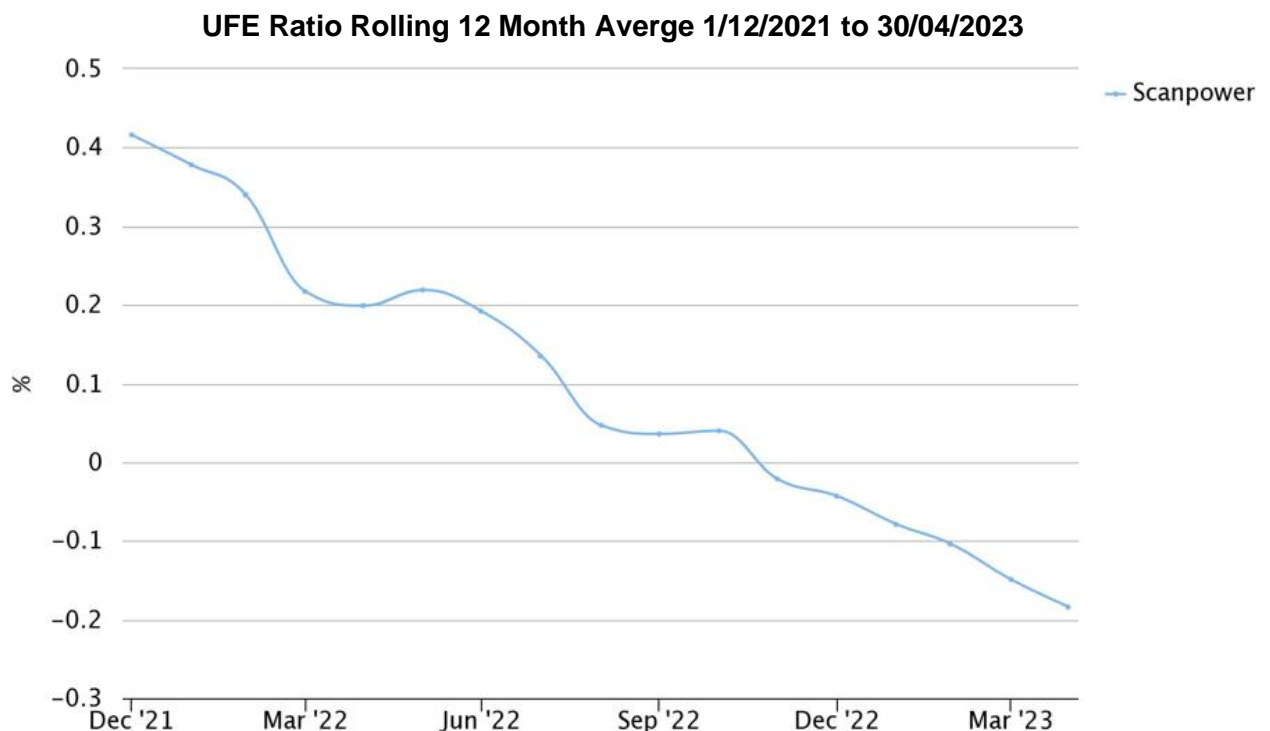
#### Audit commentary

Scanpower Staff confirm here has been no change to the loss factors during this audit period.

Scanpower monitors losses periodically and with a drop in load and UFE trending down there have been no changes to the three loss factors in recent times. Scanpower's average network losses are 7.2%

Checks confirmed that Scanpower published the loss factor and network losses on their website (in the pricing schedule and asset management plan).

Shown below is a graph of UFE during the Audit period (from EMI website). According to the Guidelines on the calculation and use of loss factor for reconciliation purposes published 26/06/2018, UFE is expected to be within  $\pm 1\%$  over the course of any 12 months period, so Scanpower's UFE is within that range.



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**Audit outcome**

Compliant

## CONCLUSION

See Executive Summary

## PARTICIPANT RESPONSE

Scanpower agrees with the findings of this audit and will endeavour to provide continuous improvement to remain compliant.

Scanpower thanks Allan for carrying out this audit.

