

ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT



For

NEW ZEALAND AIRWAYS LTD (NZAL)
NZBN: 9429033590486

Prepared by: Tara Gannon

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Audit report due date: 26 October 2023

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EXECUTIVE SUMMARY

This distributor audit was conducted at the request of **New Zealand Airways Ltd (NZAL)** to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

The audit was conducted in accordance with the Guideline for Distributor Audits V7.1, which was produced by the Electricity Authority.

NZAL's compliance is reliant on the compliance of TENCO, as the contractor. In this report, I have only recorded those matters where issues were discovered or where specific analysis was undertaken. TENCO's audit report will be submitted with this report.

I found that TENCO has good processes to request information it requires for NSP creation, transfer of ICPs, and maintenance of ICP and NSP information, and pass that information to the relevant parties. Delays in receiving information like metering certifications from MEPS, and LE ICPs from parent networks, and confirmation of connection from other parties resulted in a small number of late updates.

Almost all the information reviewed was accurate. Three network updates had incorrect event dates, and were made prior to a process change to ensure that correct event dates are consistently applied. The incorrect dates had no impact.

The next audit frequency table indicates that the next audit be due in 18 months on 26 April 2025, and I agree that this is reasonable.

The matters raised are set out in the table below.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Three network updates which entered the initial electrical connection date had an incorrect event date.	Strong	Low	1	Cleared
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	Two ICPs of four did not have initial electrical connection dates populated within ten business days of initial electrical connection.	Strong	Low	1	Identified
Changes to registry information	4.1	8 Schedule 11.1	One network update was made one business day late.	Strong	Low	1	Identified
Distributors to Provide ICP Information to the Registry manager	4.6	7(1) Schedule 11.1	Three network updates which entered the initial electrical connection date had an incorrect event date.	Strong	Low	1	Cleared
Notice of supporting embedded network NSP information	6.4	Clause 26(4) Schedule 11.1	One late notification of an LE ICP for NCA0011NZALEN.	Strong	Low	1	Identified
Responsibility for metering information for NSP that is not a POC to the grid	6.8	10.25(1) and 10.25(3)	Four changes to meter certification dates were provided more than 20 business days after the meter certification date.	Moderate	Low	2	Identified
Future Risk Rating						7	

Future risk rating	0-1	2-5	6-8	9-20	21-29	30+
Indicative audit frequency	36 months	24 months	18 months	12 months	6 months	3 months

RECOMMENDATIONS

Subject	Section	Recommendation	Description
		Nil	

ISSUES

Subject	Section	Issue	Remedial action
		Nil	

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

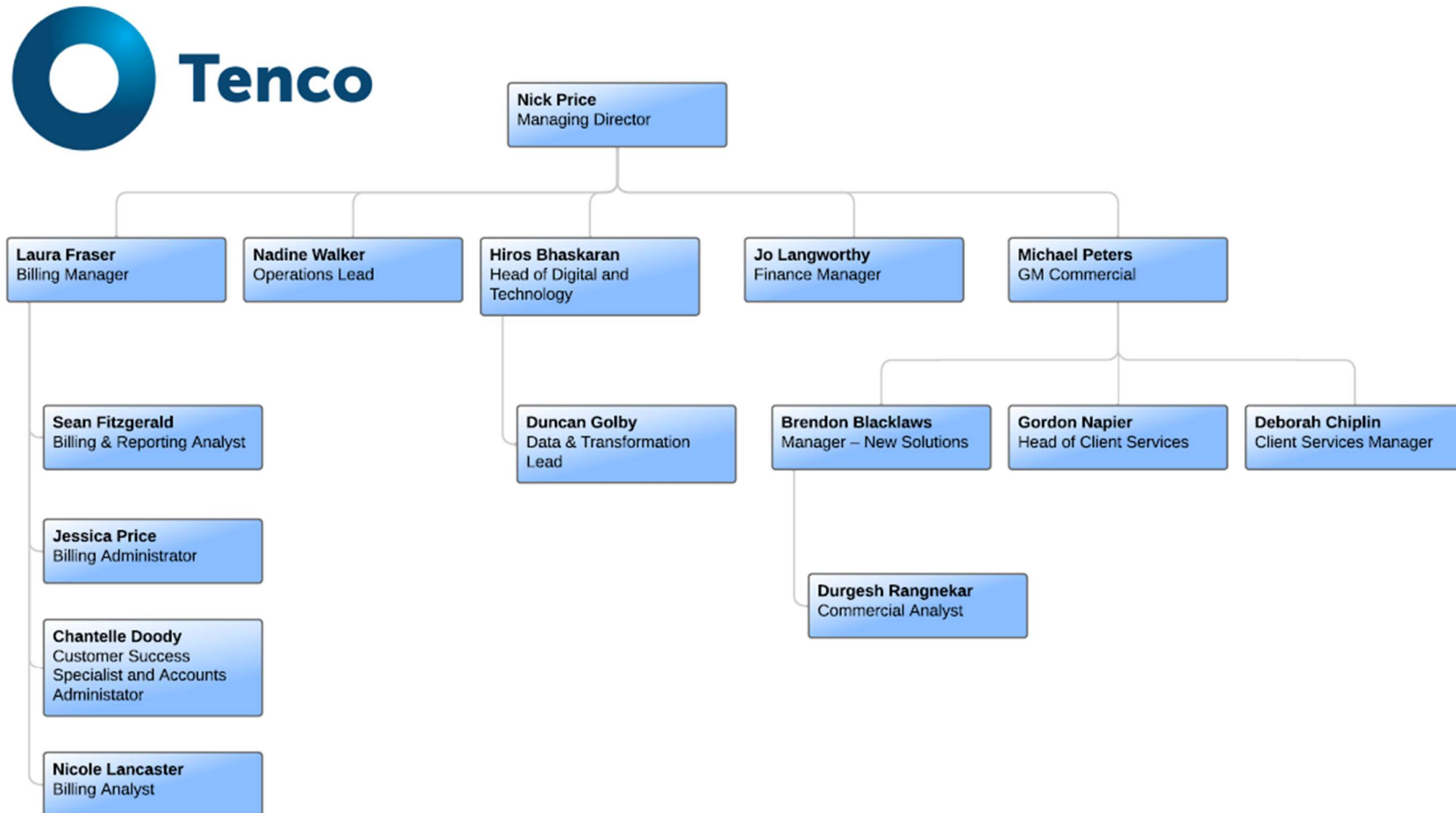
The Electricity Authority website was checked to determine whether NZAL has any Code exemptions in place.

Audit commentary

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

1.2. Structure of Organisation

TENCO provided an organisation chart:



1.3. Persons involved in this audit

Auditor:

Name	Role	Company
Tara Gannon	Lead Auditor	Provera

Personnel assisting in this audit were:

Name	Title	Organisation
Nadine Walker	Operations Analyst	TENCO

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

TENCO performs all NZAL's responsibilities.

1.5. Supplier list

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

1.6. Hardware and Software

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

1.7. Breaches or Breach Allegations

NZAL has not had any breach allegations relevant to this audit recorded by the Electricity Authority during the audit period.

1.8. ICP and NSP Data

Review of the NSP table showed NZAL was responsible for the following NSPs on 14 September 2023. The number of active ICPs connected to each NSP are from 12 September 2023.

New NSP NCA0011 was created during the audit period, and ICPs were transferred from the parent network to the new embedded network. No NSPs were transferred from other networks or decommissioned during the audit period.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	Active ICPs
NZAL	NAH0011	139 THE TERRACE ASTERON HOUSE	WIL0331	CKHK	NAH0011NZALE	E	1 April 2021	12
NZAL	NAT0011	500 VICTORIA STREET HAMILTON	HAM0331	WAIK	NAT0011NZALE	E	1 February 2018	15
NZAL	NBS0011	10 BRANDON STREET WGTN	KWA0111	CKHK	NBS0011NZALE	E	1 April 2021	25
NZAL	NCA0011	CARLAW PARK	PEN1101	VECT	NCA0011NZALE	E	1 July 2023	27
NZAL	NPP0011	PRIME PROPERTY TOWER	WIL0331	CKHK	NPP0011NZALE	E	1 April 2021	21
NZAL	NPS0011	NZAL PSIS BUILDING	WIL0331	CKHK	NPS0011NZALE	E	1 June 2021	22
NZAL	NSR0011	81 MOLESWORTH ST	KWA0111	CKHK	NSR0011NZALE	E	1 April 2014	13
NZAL	NTO0011	TECHNOLOGY ONE HOUSE	WIL0331	CKHK	NTO0011NZALE	E	14 September 2018	32
NZAL	NUL0011	498 JACKSON ST PETONE WGTN	GFD0331	CKHK	NUL0011NZALE	E	1 June 2021	11
NZAL	NWH0011	WEL HOUSE	HAM0331	WAIK	NWH0011NZALE	E	1 April 2010	17

Status	ICPs 2023	ICPs 2022	ICPs 2020	ICPs 2017	ICPs 2016
Distributor (888)	-	-	-	-	-
New (999)	-	-	-	-	1
Ready (000)	-	-	-	2	-
Active (2,0)	195	167	146	117	143
Inactive - new connection in progress (1,12)	-	-	1	-	-
Inactive – vacant (1,4)	8	7	7	1	2
Inactive – AMI remote disconnection (1,7)	1	-	-	-	-

Status	ICPs 2023	ICPs 2022	ICPs 2020	ICPs 2017	ICPs 2016
Inactive – at pole fuse (1,8)	-	-	-	-	-
Inactive – de-energised due to meter disconnected (1,9)	-	1	1	-	-
Inactive – de-energised at meter box switch (1,10)	-	-	-	-	-
Inactive - at meter box switch (1,11)	-	-	-	-	-
Inactive – ready for decommissioning (1,6)	-	-	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	1	1	1
Decommissioned (3)	23	19	17	15	14

1.9. Authorisation Received

A letter of authorisation was provided.

1.10. Scope of Audit

This distributor audit was performed at the request of NZAL, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

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

The audit analysis was undertaken on:

- a registry list snapshot as of 12 September 2023,
- a registry list with history and event detail report for 1 February 2022 to 12 September 2023,
- audit compliance reports covering 1 February 2022 to 12 September 2023,
- a meter installation details report for 12 September 2023, and
- the NSP table, NSP mapping table, loss factor table, and price category table for 14 September 2023.

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

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

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

1.11. Summary of previous audit

I reviewed a copy of the previous audit conducted in April 2022 by Steve Woods of Veritek Limited. The audit recorded six non-compliances described in the table below and made no recommendations.

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Two active ICPs with duplicate addresses that are not readily locatable.	Some non-compliance still existing
Participants may request distributors to create ICPs	3.2	11.5(3)	Two ICPs created late.	Cleared
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.	Information not provided to the registry prior to electricity being traded for nine ICPs.	Cleared
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	18 ICPs did not have initial electrical connection dates populated within ten business days of initial electrical connection.	Still existing
ICP Location Address	4.4	2 Schedule 11.1	Two active ICPs with duplicate addresses that are not readily locatable.	Cleared
Responsibility for metering information for NSP that is not a POC to the grid	6.8	10.25(1) and 10.25(3)	The meter installation certification expiry date advised late for NSP NPS0011.	Still existing

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

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

Audit commentary

Compliance is recorded in the TENCO agent audit report.

There were a small number of data inaccuracies found during the audit, which were not identified and corrected as soon as practicable.

Event dates should reflect the date that the attributes within the network, address, pricing, or status record apply from.

Three network events populating initial electrical connection dates for new connections recorded had incorrect event dates recorded. The event date was the same as the update date, instead of being the initial electrical connection date which was the date the attributes applied from.

These updates all occurred in 2022 before TENCO updated their process to ensure that correct event dates are consistently applied. I found that three events created after this process change had correct event dates applied, and were corrected during the audit.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: Clause 11.2(1) and 10.6(1) From: 8-Mar-22 To: 3-Nov-22	Three network updates which entered the initial electrical connection date had an incorrect event date, and were corrected during the audit. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	<p>Controls are rated as strong. TENCO have updated their process to ensure that correct event dates are consistently applied. Reviewed events processed since this change had correct event dates applied.</p> <p>The audit risk rating is low as this has no direct impact on reconciliation. The errors have been corrected.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
The ICP's with incorrect IED dates have been updated with correct dates.		17/10/2023	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
As mentioned, the process of using the update date as the IED date has been replaced. We now use the IED date as the event date.		Ongoing	

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

Processes to provide information were reviewed and observed throughout the audit, and as part of TENCO's agent audit.

Audit commentary

Compliance is recorded in the TENCO audit report. Incorrect information is normally corrected daily, or as soon as possible upon discovery.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

If the distributor provides a load control signal to a load control switch in the metering installation, the distributor can remove or break a seal without authorisation from the MEP to bridge or 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

The management of this process is discussed in the TENCO agent audit report. The PR-255 file was examined to determine whether load control devices existed on the network.

Audit commentary

Compliance is recorded in the TENCO audit report. NZAL do not complete any work requiring a change of seal, the retailer will initiate any such work required with a contractor. Load control devices do exist on the network.

Audit outcome

Compliant

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

Code reference

Clause 11.30A

Code related audit information

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

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

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

Audit observation

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

Audit commentary

Compliance is recorded in the TENCO agent audit report.

Audit outcome

Compliant

3. CREATION OF ICPS

3.1. Distributors must create ICPS (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

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

Audit commentary

Compliance is recorded in the TENCO agent audit report. Four new ICPS were created in accordance with this clause during the audit period.

Audit outcome

Compliant

3.2. Participants may request distributors to create ICPS (Clause 11.5(3))

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The new connection process was examined as part of the TENCO agent audit. ICP requests are made by embedded network management or traders. If the request is not made by a trader this rule does not apply.

Audit commentary

Compliance is recorded in the TENCO agent audit report. There were four new ICPS created during the audit period. Two were requested by traders, and created within three business days of the request being received.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The management of this process was examined as part of the TENCO agent audit. The registry list, event detail report, and AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

The four new ICPs had “ready” status, address, pricing, network, and proposed trader information populated on the registry prior to initial electrical connection. The initial electrical connection date was populated on the registry within ten business days of initial electrical connection for two of the four ICPs. The two ICPs with late initial electrical connection date updates are recorded as non-compliance in **section 3.5**.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The management of this process was examined as part of the TENCO agent audit. The registry list, event detail report, and AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

The four new ICPs had “ready” status, address, pricing, network, and proposed trader information populated on the registry prior to initial electrical connection, and as soon as practicable after the information was provided.

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 sub-clause (1)(p) to the registry manager no later than 10 business days after the date on which the ICP is initially electrically connected.

Audit observation

The management of this process was examined as part of the TENCO agent audit. The registry list, event detail report, and AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

The initial electrical connection date was populated on the registry within ten business days of initial electrical connection for two of the four ICPs created during the audit period. The late updates were caused by delays in confirming that the ICPs were connected. TENCO identified that the ICPs had been connected when the MEP or trader updated their records on the registry.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 01-Mar-22 To: 03-Nov-22	Two ICPs of four did not have initial electrical connection dates populated within ten business days of initial electrical connection. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are sufficient to prevent late updates most of the time. The audit risk rating is low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
Living details for both ICP's were updated as soon we were able to confirm the correct dates.		During audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Tenco uses the dashboard to monitor updates from traders and MEP's where we have not received meter install paperwork. In		Ongoing	

most cases we receive install paperwork direct, with the dashboard the failsafe to detect any anomalies.		
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3.6. Connection of ICP that is not an NSP (Clause 11.17)

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The management of this process was examined as part of the TENCO agent audit. The registry list, event detail report, and AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. 195 active ICPs are supplied and all have a trader recorded. 190 ICPs have metering installed, and the other five ICPs are for unmetered residual load. There is no shared unmetered load on the NZAL 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

The management of this process was examined as part of the TENCO agent audit. The registry list, event detail report, and AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. NZAL will not electrically connect an ICP without a reconciliation participant accepting responsibility.

Three of the four new ICPs created during the audit period were claimed by the trader on the registry prior to initial electrical connection, indicating their acceptance. For ICP 0000006015NZA25, the trader had confirmed their acceptance prior to initial electrical connection but had not claimed the ICP on the registry.

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 unmetred 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 management of this process was examined as part of the TENCO agent audit. The registry list, event detail report, and AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. All electrically connected ICPs had certified meters on their initial electrical connection date. No temporary electrical connections were identified.

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 management of this process was examined as part of the TENCO agent audit. The NSP table on the registry was examined.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

New NSP NCA0011NZALEN was created with a start date of 1 July 2023.

I reviewed the NSP table on 4 July 2023 and found the NSP, start date, MEP, and meter certification details were present for NCA0011NZALEN, confirming that the required information was provided within five business days of the connection date. The NSP has current meter certification.

Audit outcome

Compliant

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

Code reference

Clause 10.30A and 10.30B

Code related audit information

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 management of this process was examined as part of the TENCO agent audit. The NSP table on the registry was examined.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

New NSP NCA0011NZALEN was created with a start date of 1 July 2023. TENCO confirmed that the NSP was not temporarily electrically connected.

Audit outcome

Compliant

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

xxxxxxxxxxxxcc where:

- xxxxxxxxxx is a numerical sequence provided by the distributor,
- xx is a code that ensures the ICP is unique (assigned by the Authority to the issuing distributor),
- ccc is a checksum generated according to the algorithm provided by the Authority.

Audit observation

The management of this process was examined as part of the TENCO agent audit.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

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 management of this process was examined as part of the TENCO agent audit. The registry list was reviewed to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

Each active ICP only has a single loss category, which clearly identifies the relevant loss factor. The loss categories applied for each ICP at each NSP are consistent with the expected values.

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

The management of this process was examined as part of the TENCO agent audit. The registry list, event detail report, and AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

There are currently no ICPs with the “new” status, and no ICPs have had “new” status applied during the audit period. Monitoring of ICPs at “new” status is discussed in **section 3.14**.

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

The management of this process was examined as part of the TENCO agent audit. The registry list, event detail report, and AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. No ICPs are currently at “new” or “ready” status.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

The registry list was examined to determine compliance.

Audit commentary

No embedded generation stations with capacity greater than 10 MW are connected to NZAL's network.

Audit outcome

Compliant

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

The management of this process was examined as part of the TENCO agent audit.

Audit commentary

Compliance is recorded in the TENCO agent audit report. NZAL requires all requests for new ICPs to be sent from the trader before electrically connecting ICPs.

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

The management of this process was examined as part of the TENCO agent audit.

Audit commentary

Compliance is recorded in the TENCO agent audit report. If disconnection is required TENCO sends a request to the trader to disconnect the ICP. TENCO would only request electrical disconnection where ICPs or NSPs are to be decommissioned, for safety reasons or building refurbishment as notified by the building management.

Audit outcome

Compliant

3.18. Meter bridging (Clause 10.33C)

Code reference

Clause 10.33C

Code related audit information

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

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

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

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

Audit observation

The management of this process was examined as part of the TENCO agent audit.

Audit commentary

Compliance is recorded in the TENCO agent audit report. TENCO do not bridge meters for NZAL. This is managed by the traders.

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

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

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

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

In the case of a change to price category codes, where the change is backdated, no later than three business days after the distributor and the trader responsible for the ICP agree on the change.

Audit observation

The management of this process was examined as part of the TENCO agent audit. The AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. Review of the combined audit compliance reports confirmed that all address and status updates were made on time.

There was one late network update, relating to a change of proposed trader. The update was processed one business day late.

There was one late pricing update, relating to a price category code change. The update was made 52 business days late at the retailer's request and is considered to be compliant.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 24-Mar-23 To: 24-Mar-23	One network update was made one business day late. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1

Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong. The late update was made one business day late and was a date correction. The audit risk rating is low as this has no direct impact on reconciliation, and the update was one business day late.		
Actions taken to resolve the issue		Completion date	Remedial action status
The late price code update was due to ongoing dialogue with the trader to determine the correct price code.		During audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Tenco endeavours to ensure that all registry updates are accurate and within expected compliance timeframes.		Ongoing	

4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1)

Code reference

Clauses 7(1), 7(4) and 7(5) Schedule 11.1

Code related audit information

Under Clause 7(1)(b) of Schedule 11.1, the distributor must provide to the registry manager the NSP identifier of the NSP to which the ICP is usually connected.

If the distributor cannot identify the NSP that an ICP is connected to, the distributor must nominate the NSP that the distributor thinks is most likely to be connected to the ICP, taking into account the flow of electricity within its network, and the ICP is deemed to be connected to the nominated NSP.

Audit observation

The management of this process was examined as part of the TENCO agent audit. The registry list, event detail report, and AC020 distributor compliance reports were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. I compared the registry list and NSP table and confirmed that all “active” ICPs were mapped to an NSP consistent with the ICP address information.

There were no discrepancies identified by the audit compliance reports.

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 three business days after receiving a request for that information.

Audit observation

The management of this process was examined as part of the TENCO agent audit.

Audit commentary

Compliance is recorded in the TENCO agent audit report. ICP numbers are provided immediately when they have verified the requestor's identity and provided address details.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The management of this process was examined as part of the TENCO agent audit. The registry list and AC020 distributor compliance report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. A check of NZAL's list file and AC020 report found that all ICPs have unique addresses with sufficient information to allow the ICPs to be readily located.

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

The management of this process was examined as part of the TENCO agent audit.

Audit commentary

Compliance is recorded in the TENCO agent audit report. As the networks were created post this requirement, this scenario is unlikely to arise.

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

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

Audit commentary

Compliance is recorded in the TENCO agent audit report.

Distributed generation

One ICP has distributed generation recorded. The details were consistent with information held in the Electricity and Gas high risk database, trader information, and MEP information.

Initial electrical connection dates

The four ICPs created during the audit period had initial electrical connection dates consistent with the meter certification date and the trader's active status date.

The AC020 report recorded 22 ICPs which moved to "active" status for the first time after 29 August 2013 which did not have initial electrical connection dates populated. I confirmed that all the ICPs were created between February 2010 and February 2013 and the trader had connected them with 1,5 "inactive - reconciled elsewhere" status. The status changed to "active" years later when they switched to another trader. It is compliant for these ICPs to have no initial electrical connection date recorded, because they were created and supplied by the trader before the requirement to record an initial electrical connection date came into effect.

Unmetered load

There are five unmetered residual load ICPs and their details are correctly recorded.

Event dates

Event dates should reflect the date that the attributes within the network, address, pricing, or status record apply from.

Three network events populating initial electrical connection dates for new connections recorded had incorrect event dates recorded. The event date was the same as the update date, instead of being the initial electrical connection date which was the date the attributes applied from.

These updates all occurred in 2022 before TENCO updated their process to ensure that correct event dates are consistently applied. I found that three events created after this process change had correct event dates applied, and were corrected during the audit.

Other information

No other inaccurate information was identified.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1 From: 8-Mar-22 To: 3-Nov-22	Three network updates which entered the initial electrical connection date had an incorrect event date, and were corrected during the audit. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong. TENCO have updated their process to ensure that correct event dates are consistently applied. Reviewed events processed since this change had correct event dates applied. The audit risk rating is deemed to be low as this has no direct impact on reconciliation. The errors have been corrected.		
Actions taken to resolve the issue		Completion date	Remedial action status
The ICP's with incorrect IED dates have been updated with correct dates.		17/10/20023	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
As mentioned, the process of using the update date as the IED date has been replaced. We now use the IED date as the event date.		Ongoing	

4.7. Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1)

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

The distributor must provide the following information to the registry manager no later than ten business days after the trading of electricity at the ICP commences:

- *the actual price category code assigned to the ICP (Clause 7(3)(a) of Schedule 11.1),*
- *the actual chargeable capacity of the ICP determined by the price category code assigned to the ICP (if any) (Clause 7(3)(b) of Schedule 11.1),*
- *the actual distributor installation details of the ICP determined by the price category code assigned to the ICP (if any) (Clause 7(3)(c) of Schedule 11.1).*

Audit observation

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

Audit commentary

Compliance is recorded in the TENCO agent audit report.

Pricing information was updated on the registry before trading of electricity commenced for all ICPs created and electrically connected during the audit period.

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

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

Audit commentary

Compliance is recorded in the TENCO agent audit report.

NZAL does not record GPS coordinates on the registry for ICPs that they create, but sometimes inherits GPS coordinates from other distributors when ICPs transfer to NZAL from other networks.

33 active ICPs have GPS coordinates recorded; all are in NZTM2000 format. I mapped the coordinates and compared them to the recorded addresses and found they were correct.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

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

Audit commentary

Compliance is recorded in the TENCO agent audit report.

No ICPs are currently at the “ready” status. All ICPs that have been at the “ready” status had a nominated trader and a single price category recorded.

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

The registry list and event detail reports were examined to determine compliance.

Audit commentary

It is unlikely that NZAL will deal with any ICPs with a “distributor” status because they do not deal with shared unmetered load, and there are no embedded networks connected to existing embedded networks for NZAL.

The distributor status was not used at all during the report period.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The management of this process is discussed in the TENCO report. The registry list, event detail report, and AC020 distributor compliance report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. Four ICPs were decommissioned during the audit period at the trader’s request.

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

Audit outcome

Compliant

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

The management of this process is discussed in the TENCO report. The price category table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

Four new price category codes were created during the audit period, and the price category table was updated more than two months before the price category start date.

Code	Description	Start Date	Last Updated
NZLCABSH	Business - ABSH	1 July 2023	26 April 2023 13:30
NZLCABSN	Business - ABSN	1 July 2023	26 April 2023 13:29
NZLCALVN	Business - ALVN	1 July 2023	26 April 2023 13:29
NZLCALVT	Business - ALVT	1 July 2023	26 April 2023 13:29

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

The management of this process is discussed in the TENCO report. The loss factor table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

Two new loss factor codes were created during the audit period, and the loss factor table was updated more than two months before the loss factor start date.

Code	Loss Factor Consumption	Loss Factor Generation	Start Date	Last Updated
LNZALL8	1.0157	1	1 July 2023	26 April 2023 13:32
LNZALL9	1	1	1 July 2023	26 April 2023 13:32

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

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

Audit observation

The management of this process is discussed in the TENCO report. The loss factor table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. NZAL did not update any loss factor values during the audit period.

There was a maximum of one loss factor per loss factor category code per month, and all trading periods had a single applicable loss factor.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

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

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

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

Creation of NSPs

One NSP was created during the audit period:

POC code	Network participant	Embedded under POC code	Embedded under network participant	Reconciliation type	Start date	MEP	Certification expiry
NCA0011	NZAL	PEN1101	VECT	EN	1 July 2023	AMCI	28 April 2028

To determine compliance with the requirement to give written notice of the creation of an NSP to the reconciliation manager at least 30 days prior to the start date, I reviewed the NSP table on 11 May 2023

and found the NSP, start date, MEP, and meter certification details were present for NCA0011NZALEN, confirming that the required information was provided at least 30 days before the connection date.

Transfer of ICPs

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

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

For new NSP NCA0011, ICPs were transferred from the parent network to the new embedded network. To assess compliance, I checked that TENCO's notification to the Authority met the requirements of schedule 11.2 and was issued no later than three days before the start date. I also checked whether trader consent was provided, which confirmed that the traders were notified and had provided consent.

Notification was provided at least three business days before the NSP start date, including trader consent.

Transfer of NSPs

No NSPs were transferred to or from other networks during the audit period.

Decommissioning of NSPs

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

NSP NCA0011 was created during the audit period. To determine compliance with the requirement to give written notice of the creation of an NSP to the reconciliation manager at least one month prior to the start date, I reviewed the NSP table on 11 May 2023 and found the NSP, start date, MEP, and meter

certification details were present for NCA0011NZALEN, confirming that the required information was provided on time.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

NSP NCA0011 was created during the audit period, and a new balancing area for the NSP was set up at the same time.

To determine compliance with the requirement to give written notice of the creation of a balancing area to the reconciliation manager at least 30 days prior to the start date, I reviewed the NSP table on 11 May 2023 and found the NSP, start date, and balancing area details were present for NCA0011NZALEN, confirming that the required information was provided at least 30 days before the connection date.

Audit outcome

Compliant

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

NSP NCA0011 was created during the audit period, and a new balancing area for the NSP was set up at the same time. notice of the NSP and start date, I reviewed the NSP table on 11 May 2023 and found the NSP

To determine compliance with the requirement to give written and start date were present for NCA0011NZALEN, confirming that the required information was provided at least 30 days before the connection date.

The LE ICP was not provided until after the NSP start date, on 10 October 2023.

Audit outcome

Non-compliant

Non-compliance	Description	
Audit Ref: 6.4 With: Clause 26(4) Schedule 11.1 From: 24-Mar-23 To: 24-Mar-23	One late notification of an LE ICP for NCA0011NZALEN. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are strong because one notification was late. TENCO's processes to make sure LE ICPs are requested are compliant, but there are often delays in receiving these from the parent network. The audit risk rating is low because almost all other required information was provided on time.	
Actions taken to resolve the issue	Completion date	Remedial action status
The LE ICP for NCA0011 had not been released by the network company when market notice was initially made. This was later updated once it was realised this information was missing.	10/10/2023	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
LE ICP's which are issued after market notification has been made are updated when they become available.	Ongoing	

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. No balancing areas were changed during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table on the registry was examined.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

For new NSP NCA0011, ICPs were transferred from the parent network to the new embedded network and notifications were provided on time.

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. I reviewed the NSP table and found all NSPs have current meter certification.

Four NSPs had meter certification changes during the audit period, and I confirmed that the correct expiry date was recorded on the NSP mapping table. The updates were all made more than 20 business days after the certification date, due to late receipt of meter certification information.

NSP POC	Description	MEP	Last audit meter certification expiry if different	Current meter certification expiry
NAH0011	139 THE TERRACE ASTERON HOUSE	AMCI		7 May 2028
NAT0011	500 VICTORIA STREET HAMILTON	AMCI		13 January 2028
NBS0011	10 BRANDON STREET WELLINGTON	AMCI	8 January 2025	8 June 2028

NSP POC	Description	MEP	Last audit meter certification expiry if different	Current meter certification expiry
NCA0011	CARLAW PARK	AMCI	New NSP this audit	28 April 2028
NPP0011	PRIME PROPERTY TOWER	FCLM	15 January 2023	8 May 2028
NPS0011	NZAL PSIS BUILDING	AMCI	12 May 2025	12 June 2025
NSR0011	81 MOLESWORTH STREET	AMCI	20 August 2023	9 July 2033
NT00011	TECHNOLOGY ONE HOUSE	FCLM		26 July 2026
NUL0011	498 JACKSON ST PETONE WGTN	AMCI		6 April 2024
NWH0011	WEL HOUSE	FCLM		7 July 2026

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.8</p> <p>With: Clause 10.25(1) and 10.25(3)</p> <p>From: 31-Aug-20</p> <p>To: 9-Aug-23</p>	<p>Four changes to meter certification dates were provided more than 20 business days after the meter certification date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Three times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are moderate, because the delays were primarily caused by the MEP being unable to provide information on time. The impact is low because there no impact on reconciliation, and the meters were certified.		
Actions taken to resolve the issue		Completion date	Remedial action status
Meter certification dates were updated in the EA's portal as soon as they became available to us.		During audit period	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We send monthly reports to MEP's to ensure they are aware of all outstanding certification paperwork but we ultimately have no control over when we receive this.		Ongoingd	

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

Code reference

Clause 10.25(2)

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. I reviewed the NSP table and found all NSPs have current meter certification.

NSP NCA0011 was created during the audit period. To determine compliance with the requirement to give written notice of the creation of an NSP to the reconciliation manager at least one month prior to the start date, I reviewed the NSP table on 11 May 2023 and found the NSP, start date, MEP, and meter certification details were present for NCA0011NZALEN, confirming that the required information was provided on time.

Audit outcome

Compliant

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

at least one month's notification is required before the acquisition (clause 29(2) of schedule 11.1).

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. NZAL has not acquired any networks during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report. There have been no MEP changes during the audit period.

Audit outcome

Compliant

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

For new NSP NCA0011, ICPs were transferred from the parent network to the new embedded network. I assessed compliance by reviewing trader notifications and acceptances for each of the affected networks, and confirmation of trader and distributor acceptance communicated to the Authority. Consent information was obtained for all ICPs and provided on time.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The management of this process is discussed in the TENCO report. The NSP table was examined to determine compliance.

Audit commentary

Compliance is recorded in the TENCO agent audit report.

For new NSP NCA0011, ICPs were transferred from the parent network to the new embedded network. I assessed compliance with clause 6 schedule 11.2 by determining which traders had ICPs connected to each NSP, then comparing this to the trader consent information provided by NZAL. All relevant traders and ICPs were included.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

The registry list file was examined to determine compliance.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list file was examined to determine compliance.

Audit commentary

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

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TENCO report. Loss factor information was reviewed.

Audit commentary

Compliance is recorded in the TENCO agent audit report. TENCO derives loss factors from the loss factors on the parent network, ensuring that ICPs on the embedded network have the same loss factor as similar ICPs on the parent network once multiplied by the LE (gateway ICP) loss factor.

The calculation for the embedded network loss factors is as follows:

Loss factor at a similar ICP on the parent network

Loss factor at the LE (gateway) ICP

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

TENCO provided their loss factor calculations. I checked that the parent network loss factors used as inputs into the calculation were correct, and that the calculation itself was producing the expected result. The loss factor values were matched to the loss factor table, and I checked that the loss factor codes assigned to individual ICPs were as expected. No issues were identified.

There have been no changes to existing loss factors during the audit period. Two new loss factors were compliantly created as discussed in **section 5.2**.

Audit commentary

Compliant

CONCLUSION

NZAL's compliance is reliant on the compliance of TENCO, as the contractor. In this report, I have only recorded those matters where issues were discovered or where specific analysis was undertaken. TENCO's audit report will be submitted with this report.

I found that TENCO has good processes to request information it requires for NSP creation, transfer of ICPs, and maintenance of ICP and NSP information, and pass that information to the relevant parties. Delays in receiving information like metering certifications from MEPs, and LE ICPs from parent networks, and confirmation of connection from other parties resulted in a small number of late updates.

Almost all the information reviewed was accurate. Three network updates had incorrect event dates, and were made prior to a process change to ensure that correct event dates are consistently applied. The incorrect dates had no impact.

The next audit frequency table indicates that the next audit be due in 18 months on 26 April 2025, and I agree that this is reasonable.

PARTICIPANT RESPONSE

Tenco on behalf of NZAL have reviewed the above audit report on the 17th of October 2023 and are in agreement with the findings contained within it.