

ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT



For

NETWORK TASMAN LIMITED
(NZBN: 9429038760433)

Prepared by: Brett Piskulic

Date audit commenced: 12 May 2023

Date audit report completed: 1 September 2023

Audit report due date: 15-Sep-23

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EXECUTIVE SUMMARY

This distributor audit was performed at the request of **Network Tasman Limited (Network Tasman)**, 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 version 7.2, which was produced by the Electricity Authority.

Network Tasman have continued to maintain a high level of compliance with good controls in place for all of its processes. Robust processes and prompt and accurate update of information is treated as a priority. Reporting and management of the reports is strong, data accuracy issues identified are promptly resolved.

The areas of non-compliance found relate to a low number of late or backdated registry updates.

Overall, the level of compliance is high, and controls generally found to be strong. The audit found six non-compliances and makes no recommendations. The audit risk rating is six, and the next audit frequency table indicates that the next audit be due in 18 months. I have considered this in conjunction with Network Tasman's responses and I recommend an audit period of at least 24 months.

The matters raised are shown in the tables below.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Provision of ICP Information to the registry manager	3.3	11.7	Two ICPs with missing initial electrical connection dates.	Strong	Low	1	Cleared
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of schedule 11.1	One ICP was made "ready" after electrical connection, and therefore trading, had occurred.	Strong	Low	1	Cleared
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Late provision of Initial Electrical Connection Date for nine ICPs.	Strong	Low	1	Cleared
Connection of ICP that is not an NSP	3.6	11.17	One ICP was connected prior to the accepting trader being recorded in the registry.	Strong	Low	1	Cleared

Changes to registry information	4.1	8 of Schedule 11.1	<p>Eight late address updates.</p> <p>11 late network events.</p> <p>Four late pricing updates from a sample of ten of the 148 backdated events.</p> <p>One late status update.</p> <p>24 late distributed generation updates.</p> <p>One late NSP update.</p>	Strong	Low	1	Cleared
Distributors to Provide ICP Information to the Registry manager	4.6	7(1) Schedule 11.1	Two ICPs with the initial electrical connection date not populated.	Strong	Low	1	Cleared
Future Risk Rating						6	

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	Remedial action
		Nil	

ISSUES

Subject	Section	Issue	Description
			Nil

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

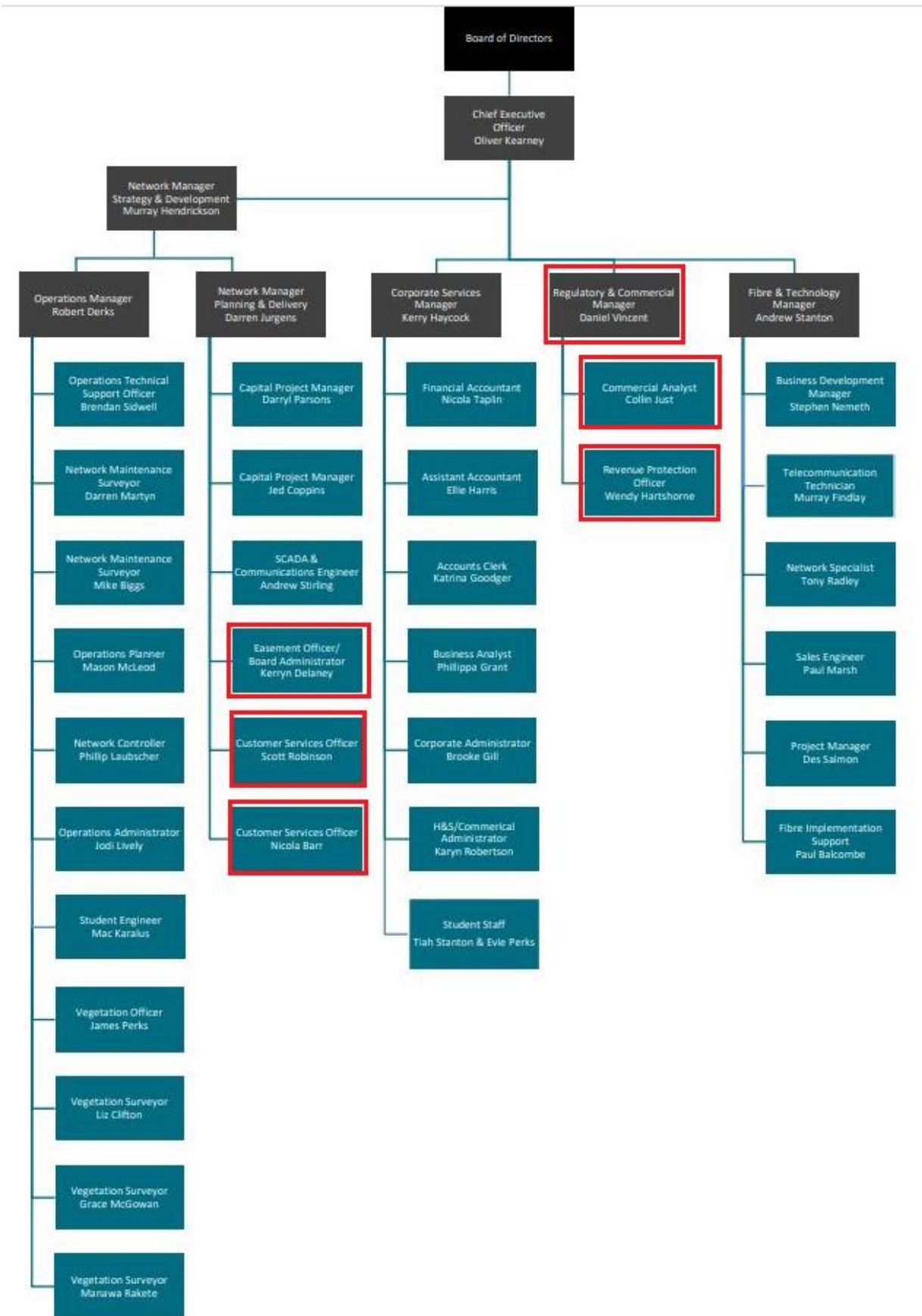
The Authority website was checked to determine whether there are code exemptions in place.

Audit commentary

Network Tasman has no exemptions in place that are relevant to the scope of this audit.

1.2. Structure of Organisation

Network Tasman provided a copy of the relevant part of the organisation chart:



1.3. Persons involved in this audit

Auditor:

Name	Company	Role
Brett Piskulic	Provera	Auditor

Network Tasman personnel assisting in this audit were:

Name	Title
Collin Just	Commercial Analyst
Wendy Hartshorne	Revenue Protection Officer

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

Network Tasman approves field contractors to conduct connection related activities. I checked Network Tasman's approach to the management of contractors.

Audit commentary

Network Tasman has provided the list below of sub-contractors authorised to make connections and alterations to ICPs on their network:

- Flash Electrical Ltd,
- Vector Electrical Services, and
- Electrical Inspection Tasman Ltd.

1.5. Supplier list

Network Tasman has provided the list in **section 1.4** of sub-contractors authorised to perform livening activities on their network.

1.6. Hardware and Software

Network Tasman provided the following list that details hardware and software used in the processes to be audited:

Hardware

Server Level:

Dell PowerEdge R640,
Dell PowerEdge R740xd2,
Dell EMC Scv3020.

Client Level:

HP22miniG#, Dell Latitude 5530, HP Elite/Envy/Spectre

Software

Server Level:

Microsoft Server 2008 R2,
Microsoft Server 2012 R2,
Microsoft Server 2019,
Decode – Application built on visual basics to upload and download files to Registry.

Client Level:

Microsoft – Windows 10/11 Professional, Currently migrating to Microsoft 365
Decode – Dataflex – Application built on visual basics,
Activeflow.

System Back-Up Arrangements

Network Tasman perform log shipping from NTASSQL3 to NTASSQL4 every 15 mins.

Network Tasman keep transactional logs for 48 hrs on NTASSQL3 and NTASSQL4.

Network Tasman perform nightly offsite backup of all SQL databases and transactional logs to disk at CCL Nelson Datacenter , the backups are copied to AWS, Sydney (Encrypted AWSS3/Glacier).

Network Tasman perform nightly offsite backup of all servers to disk at CCL Nelson Datacenter; the backups are copied to AWS, Sydney (Encrypted AWSS3/Glacier).

1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there have been no alleged breaches for Network Tasman during the audit period.

1.8. ICP and NSP Data

The NSP mapping table was examined:

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of active ICPs
TASM	FND0112	Founders	STK0331	TASM	BALANC1TASMG	I	20 September 2008	N/A
TASM	HVN0331	Haven Rd	STK0331	TASM	BALANC1TASMG	I	1 February 2014	N/A
TASM	KIK0111	Kikiwa			BALANC1TASMG	G	1 May 2008	1,138
TASM	MCH0111	Murchison			MCH0111TASMG	G	1 July 2017	868
TASM	STK0331	Stoke			BALANC1TASMG	G	1 May 2008	29,252
TASM	STK0661	Stoke			BALANC1TASMG	G	3 December 2014	11,467

The first two records are interconnection points and do not have ICPs connected.

Network Tasman does not own any embedded networks. There is one embedded network connected to the Network Tasman network. The details are shown in the table below.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network Type	Start Date
TENC	TRN0011	Richmond Mall Nelson	STK0331	TASM	TRN0011TENCE	E	1 November 2022

The list file as of 16 May 2023 was examined and found:

Status	Number of ICPs 2023	Number of ICPs 2021	Number of ICPs 2019	Number of ICPs 2017
New (999,0)	1	1	0	1
Ready (0,0)	40	44	59	35
Active (2,0)	42,725	41,517	40,147	39,093
Distributor (888,0)	11	8	8	8
Inactive – new connection in progress (1,12)	73	46	30	36
Inactive – electrically disconnected vacant property (1,4)	318	301	286	307
Inactive – electrically disconnected remotely by AMI meter (1,7)	74	66	45	27
Inactive – electrically disconnected at pole fuse (1,8)	21	9	7	2
Inactive – electrically disconnected due to meter disconnected (1,9)	4	2	5	4
Inactive – electrically disconnected at meter box fuse (1,10)	1	1	2	0
Inactive – electrically disconnected at meter box switch (1,11)	4	1	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	0	0	1	1
Inactive – reconciled elsewhere (1,5)	0	0	0	0
Decommissioned (3)	6,163	5,992	5,851	5,704

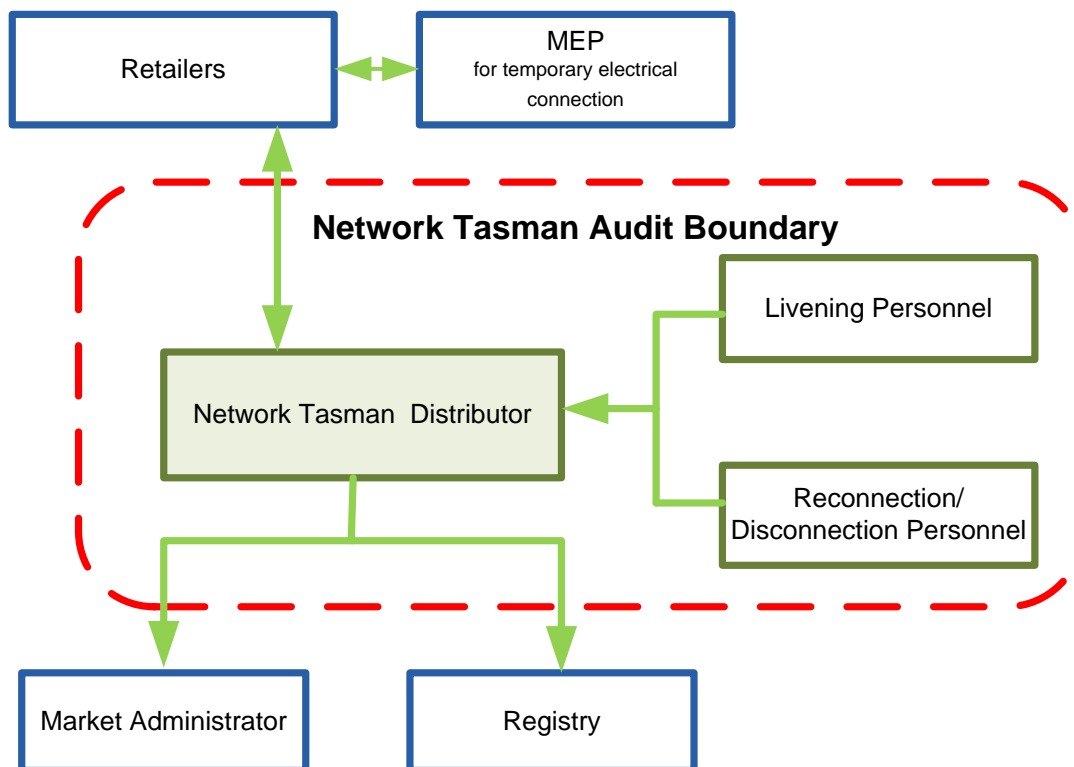
1.9. Authorisation Received

Network Tasman provided a letter of authorisation to Provera, permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

This distributor audit was performed at the request of Network Tasman Ltd (Network Tasman) to encompass the Electricity Industry Participation Code requirement for an audit as required by clause 11.10 of part 11. The audit was conducted in accordance with the Guideline for Distributor Audits version 7.2, which was produced by the Electricity Authority.

The scope of the audit is shown in the diagram below, with the Network Tasman audit boundary shown for clarity.



All activities covered by this audit are conducted at Network Tasman's head office in Richmond.

1.11. Summary of previous audit

I obtained a copy of Network Tasman's previous audit report, conducted by Steve Woods of Veritek Limited in September 2021. This found six non-compliances and made no recommendations. The current status of these has been updated below:

Table of non-compliance

Subject	Section	Clause	Non-compliance	Status
Provision of ICP Information to the registry manager	3.3	11.7	One missing initial electrical connection date.	Still existing for different ICPs
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of schedule 11.1	Three ICPs were made ready after electrical connection, and therefore trading, had occurred	Still existing for different ICPs
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Late provision of Initial Electrical Connection Date for five ICPs.	Still existing for different ICPs
Connection of ICP that is not an NSP	3.6	11.17	Three ICPs were connected prior to recording of the accepting trader in the registry.	Still existing for different ICPs
Changes to registry information	4.1	8 of Schedule 11.1	Updates to registry backdated greater than three business days of the event.	Still existing for different ICPs
Distributors to Provide ICP Information to the Registry manager	4.6	7(1) Schedule 11.1	Three ICPs with confirmed distributed generation volume, the details are not populated on the registry. One ICP with the initial electrical connection date not populated.	Still existing for different ICPs

Recommendations

Subject	Section	Recommendation	Remedial action	Status
		Nil		

Issues

Subject	Section	Issue	Description	Status
Loss factors	8.1	UFE appears to be greater than +/-1%	Investigation required into the UFE calculations used by the Reconciliation Manager.	NTL did not receive any communication from the Reconciliation Manager, the issue is now cleared.

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

I walked through the process to ensure that registry information is complete, accurate and not misleading or deceptive, including viewing reports used to resolve discrepancies.

The registry list file as of 16 May 2023, and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were examined to confirm compliance.

Audit commentary

Network Tasman has processes in place to ensure that information is complete and accurate and is not misleading or deceptive. Additional validations are added to the discrepancy reporting process as required. Examination of the list file and audit compliance reports found no examples of misleading or deceptive information. Network Tasman has good processes to ensure data is complete and accurate.

Audit outcome

Compliant

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

Network Tasman's data management processes were examined. The registry list file as of 16 May 2023, and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were examined to confirm compliance.

Audit commentary

Network Tasman have robust processes and procedures in place to ensure they provide correct and accurate information. A comprehensive discrepancy report process checks for 56 potential discrepancies between the registry and Network Tasman's database. The list of the discrepancy types was viewed during the audit. The process is generally conducted twice a week and any discrepancies found are investigated and updated as required.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

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

Audit observation

The PR-255 file was examined to determine whether load control exists. The management of removal and breakage of seals was discussed.

Audit commentary

Network Tasman do not complete any work requiring a change of seal, the retailer will initiate any work required with a contractor.

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 Disputes Resolution information was examined for Network Tasman to determine compliance. The Network Tasman website was checked, and email signatures were checked.

Audit commentary

All of these provided clear and prominent information about Utilities Disputes for the consumer, including contact details and links to the Utilities Disputes website. Details of the complaints process including contact details and a link to Utilities Disputes are accessed through the “Contact” section of the Network Tasman website. Information is also provided on a voice recording when consumers contact Network Tasman by phone.

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 in detail and is described in **section 3.2**. A diverse characteristics sample of 30 new connection applications of the 1,264 created during the audit period from 1 October 2021 to 16 May 2023 were checked from the point of application through to when the ICPs were created.

Audit commentary

Network Tasman creates ICPs as required by clause 1 of schedule 11.1.

The process in place is robust and has good controls in place. The sample checked in **section 3.2** below confirms this.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The new connection process was examined in detail. A diverse characteristics sample of 30 new connection applications of the 1,264 created during the audit period from 1 October 2021 to 16 May 2023 were checked to determine whether the ICPs had been created within three business days of a request by a trader. The sample included 15 different traders.

Audit commentary

ICP requests are received directly from customers, or their agents via the submission of a Network Connection Application Form (NCA) through the Network Tasman website. If engineering work is not required, the ICP is approved immediately and the ICP is created. If engineering work is required, the applicant is notified and the ICP is created at the completion of this work.

The new connections process includes a "trader responsibility" step. When an NCA has been approved by Network Tasman the ICP is created at the "Ready" status and a copy of the approved NCA is sent to the electrician, approved connection contractor and the nominated trader. The trader notification requests that Network Tasman is notified within three business days if the trader chooses to decline the

ICP/customer. Some traders confirm acceptance via email or by updating the status on the registry to “Inactive – New connection in progress”. Others do not advise Network Tasman of acceptance or update the status on the registry until connection is made. Network Tasman has historical emails from Trustpower, Genesis, Pulse, Mercury, Meridian, and Contact, stating they have a blanket acceptance of new customers.

I reviewed a typical sample of 30 new ICPs and found that all ICPs were requested by the electrician or customer.

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

A diverse characteristics sample of 30 new connection applications of the 1,264 created during the audit period from 1 October 2021 to 16 May 2023 were checked from the point of application through to when the ICP was created, to confirm the process and controls worked in practice.

Audit commentary

The process for updating the registry is automated for all fields. 1,264 ICPs were created during the audit period. Validation occurs within the database to ensure mandatory fields are populated. All had the correct information populated as required by this clause, except two ICPs (0000062406NTCF8 and 0000062603NTBB0), that were missing the IECD. Both cases were due to incorrect dates being entered in the Network Tasman database, both were corrected and populated on the registry at the time of the audit.

Audit outcome

Non-compliant

Non-compliance	Description
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Audit Ref: 3.3 With: Clause 11.7 From: 07-Oct-22 To: 13-Jun-23	Two ICPs with missing initial electrical connection dates. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong as they will eliminate risk to an acceptable level. The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue	Completion date	Remedial action status	
Registry has been corrected	13/06/23	Cleared	
Preventative actions taken to ensure no further issues will occur	Completion date		
Data input errors – more care More frequent use of discrepancy report if resources allow	13/06/23		

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process was examined. The registry list file as of 16 May 2023, and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

The process is described in **section 3.3**. The audit compliance report identified one ICP, (0000062788NT92A), which was made “ready” after electrical connection, and therefore trading, had occurred. This was examined and found to be due to an error related to a mix-up with a neighbouring ICP.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 28-Apr-23 To: 04-May-23	One ICP was made “ready” after electrical connection, and therefore trading, had occurred. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong as they will eliminate risk to an acceptable level. The impact on settlement and participants is minor; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Error corrected after mix up was found.		5/05/23	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
This was a one off type of mix up between two neighbouring properties. The contractor applied for the wrong property.		5/05/23	

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The registry list file as of 16 May 2023, and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were examined to determine the timeliness of the provision of the initial electrical connection date. All late updates were checked.

Audit commentary

The Network Tasman process requires livening agents to email NTL on the morning of their intention to connect and ICP and advise them by phone at the time of livening, during the audit two examples of this were observed. The agent is then required to return the completed NCA via email within two days.

There were 1,219 ICPs electrically connected during the audit period. The audit compliance report identified nine late updates. All nine were checked and found:

- two were due to errors related to a mix-up of returned information between neighbouring ICPs,

- two were corrected after original correct and timely updates were replaced with incorrect dates,
- one was initially updated on time then replaced by a later update to add DG details, and
- four were late due to delays receiving and processing information from the field.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 01-Oct-21 To: 31-May-23	Late provision of Initial Electrical Connection Date for nine ICPs. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong as they will eliminate risk to an acceptable level. The audit risk rating is assessed to be low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
Registry has been updated for all ICPs		11/08/23	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Revised our processes and requirements for timely and accurate information with New Staff at contractor level.		11/08/23	

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The new connection process was examined in **section 3.2**.

The registry list for 31 May 2021 and the combined registry compliance audit reports covering the period from 1 June 2019 to 31 May 2021 were examined to determine compliance. There were no new ICPs with shared unmetered load added by Network Tasman during the audit period.

Audit commentary

Contractors are engaged by traders, who are also approved by Network Tasman, to conduct electrical connection. The new connections process includes a “trader responsibility” step. When an NCA has been approved by Network Tasman the ICP is created at the “Ready” status and a copy of the approved NCA is sent to the electrician, approved connection contractor and the nominated trader. The trader notification requests that Network Tasman is notified within three business days if the trader chooses to decline the ICP/customer. Some traders confirm acceptance via email or by updating the status on the registry to “Inactive – New connection in progress”. Others do not advise Network Tasman of acceptance or update the status on the registry until connection is made. Network Tasman has historical emails from Trustpower, Genesis, Pulse, Mercury, Meridian, and Contact, stating they have a blanket acceptance of new customers.

The audit compliance report identified one ICP that was electrically connected, and therefore connected, prior to being made “ready” on the registry and therefore a trader was not recorded in the registry as accepting responsibility for the ICP prior to connection. This is also recorded as non-compliance in **section 3.4**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: Clause 11.17 From: 28-Apr-23 To: 04-May-23	One ICP was connected prior to the accepting trader being recorded in the registry. Potential impact: Low Actual impact: None Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong as they will eliminate risk to an acceptable level. The audit risk rating is assessed to be low as the volume of ICPs affected is small		
Actions taken to resolve the issue		Completion date	Remedial action status
This is part of the mix up of two ICPs in 3.4. It was corrected		5/05/23	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
This was a one off type of mix up between two neighbouring properties. The contractor applied for the wrong property.		5/05/23	

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 unmetred load at the ICP and each trader has been advised.

Audit observation

The new connection process was examined in **section 3.2**.

The registry list for 16 May 2023 and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were examined to determine compliance.

Audit commentary

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

There were 1,219 ICPs new ICPs were created and electrically connected. There are no ICPs without a proposed trader recorded in 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 new connection process was examined in **section 3.2**. The registry list for 16 May 2023 and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were examined to determine compliance.

Audit commentary

The new connection process is described in **section 3.2**. There were 1,219 ICPs new ICPs created and electrically connected. No requests from MEP's have been received to temporarily electrically connect an ICP.

The audit compliance report found four ICPs where the meter certification date was earlier than the initial electrical connection date. I examined the Network Tasman records for all four ICPs and confirmed that the Network Tasman connection date is correct. The records included details of phone calls from site, emails and completed NCA forms.

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 five business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:

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

Audit observation

The NSP table was reviewed.

Audit commentary

No new NSPs were created by Network Tasman during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.30 (A and 10.30B)

Code related audit information

A distributor may only temporarily electrically connect an NSP that is not a point of connection to the grid if requested by an MEP for a purpose set out in clause 10.30A(3), and the MEP:

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

A distributor may only electrically connect an NSP if:

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

Audit observation

The NSP table was reviewed.

Audit commentary

No new NSPs were created by Network Tasman during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

yyyyyyyyyyxxccc 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 process for the creation of ICPs was examined.

Audit commentary

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

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

The list file as of 16 May 2023 was examined to confirm all active ICPs have a single loss category code.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

The ICP creation process was reviewed. The registry list for 16 May 2023, and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were examined to determine compliance.

Audit commentary

The Network Tasman process is to create all ICPs at “ready” status. The “new” status is only used in rare occasions when a trader does not accept responsibility for the ICP and asks to be removed from the ‘proposed trader’ field. The status is changed back to “ready’ when the customer confirms a new trader.

One ICP at the “new” status was identified in the list file, 0000061687NTD10, with an ICP creation date of 2 December 2021. This ICP was not accepted by the trader and the proposed trader was removed on 9 December 2021 and the status changed to “new”. At the time of the audit Network Tasman received confirmation from the customer that the ICP is no longer required and have changed the status to “decommissioned - setup in error.

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 process to monitor ICPs at “new” and “ready” status was reviewed. The registry list for 16 May 2023, and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were examined to determine compliance.

Audit commentary

Network Tasman monitors a report of ICPs at the “new” and “ready” status. Any record on this report that is older than approximately six months is investigated with the relevant contractor or customer. There were no ICPs at “new” for more than 24 months and three ICPs at “ready” for more than 24 months. Network Tasman provided details of communications with the customers for all three cases. One has since been decommissioned as it was no longer required and the other two are confirmed as still required.

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 as of 16 May 2023 was reviewed to identify any generation stations with capacity of 10 MW or more and determine compliance.

Audit commentary

The Cobb generation station, ICP 0000052524NT900, has a capacity greater than 10MW and it has a unique loss category code as required by this clause.

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

Processes were examined for the connection of ICPs and NSPs.

Audit commentary

Network Tasman will only connect a point of connection if requested by the trader responsible in the registry. Network Tasman provide an approval to liven to the livening agent who is acting on their behalf.

Audit outcome

Compliant

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

Code reference

Clause 10.30C and 10.31C

Code related audit information

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

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

Audit observation

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

Audit commentary

Network Tasman understands their responsibilities in relation to this clause. Network Tasman approves contractors to conduct vacant property or arrears disconnections on their network which are requested directly by retailers. Network Tasman conducts electrical disconnection for safety when requested by customers or emergency services, notification is provided to retailers in these cases. Approved contractors will only conduct a decommission when both a Network Tasman NCA form and a service order from the retailer are issued.

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 Network Tasman process for bridging control devices was examined.

Audit commentary

Network Tasman do not bridge meters. Where a contractor is required to do this on the Network Tasman network, it would be as a result of a Service Request sent by the trader directly to the contractor.

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 8 business days after the change takes effect.

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

In the case of decommissioning an ICP, notification must be given by the later of 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 registry updates was reviewed.

The registry list and event detail report for 16 May 2023, and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were reviewed to determine compliance. A diverse sample of ten (or all if there were less than ten examples) backdated events by event type were reviewed to determine the reasons for the late updates.

The management of NSP changes was examined.

Audit commentary

Network Tasman updates the ICP in the database and these changes flow to the registry. Registry updates occur every 15 minutes.

The event detail report was examined to identify backdated event updates.

Address events

1,409 address updates were made. The combined audit compliance reporting found eight late address updates. All eight were examined and found:

- one was due to an error in the initial entry of information which prevented the update,
- three were due to incorrect entry of event dates when updating addresses, and
- four were due to updates being made to the address at the same time as other registry fields were populated.

Network events

The network events evaluated excluded those relating to the population of the initial electrical connection dates (discussed in **section 3.5**), NSP changes (discussed below) and the initial network events relating to the creation of ICPs. The audit compliance reports were examined, and 11 late network updates relating to the updating of unmetered load details were identified. All 11 were examined and found:

- seven were due to late provision of paperwork by the contractor,
- two were due to resource constraints following the absence of core staff members, and
- two were due to late processing by Network Tasman.

Pricing events

There were 6,920 pricing updates were identified. Pricing updates are usually only backdated at the trader's request. 148 events were identified where pricing details were updated more than three business days after the event date. A selection of ten were examined and found:

- one was due to resource constraints following the absence of a core staff member,
- one was due to incorrect backdating of event when other events were updated, and
- two were due to the late processing of a file.

For the remaining six, the changes were agreed with the trader and updated within three business days of agreement being reached. For these six Network Tasman are compliant with Clause 8 of Schedule 11.1 which requires Network Tasman to update the registry within three business days of the distributor and the trader agreeing to the backdated pricing change. I have recorded non-compliance for four of the sample of ten backdated updates.

Status events

The decommissioning process is discussed in **section 4.11**. The network is required to update the ICP to "decommissioned" within three days of the event, or the date that the trader changes the status to "inactive - ready to decommission", whichever is later. I have assessed the activity in relationship to this in accordance with the code effective at the time the event occurred.

148 status updates to "decommissioned" were identified. One of these was late. I examined the late update and found it was due to both resource constraints following the absence of a core staff member and the trader updating the registry late.

Distributed Generation events

The distributed generation process is described in **section 4.6**. There were 24 late distributed generation updates from a total of 617 updates. Ten of these were examined and found:

- five were due to resource constraints following the absence of a core staff member,
- one was due to late notification from the contractor,
- one was due to investigation of conflicting dates provided by the contractor,
- two were data entry errors that have now been corrected on the registry, and
- one was due to an unauthorised connection; Network Tasman identified this through internal monitoring processes and followed up, and the event was backdated to the metering certification date.

Change of NSP

The process of NSP changes was examined. One late NSP change was identified. The late update was due to a correction an error made at the time of a new connection at ICP 0000026267NT45E.

The backdating of events to the registry is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: clause 8 schedule 11.1 From: 01-Oct-21 To: 16-May-23	Eight late address updates. 11 late network events. Four late pricing updates from a sample of ten of the 148 backdated events. One late status update. 24 late distributed generation updates. One late NSP update. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as Network Tasman proactively work with contractors and staff to update events within the required timeframe. The audit risk rating is low as the volume of backdated is very small in comparison to the volume of changes made.		
Actions taken to resolve the issue		Completion date	Remedial action status
All corrections have been made.		5/05/23	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Use discrepancy report more frequently, revise processes with Contractors, and DG installers, be more vigilant with data errors.		5/05/23	

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 process to determine the correct NSP was examined. The combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were reviewed to determine compliance.

Audit commentary

There is no uncertainty regarding NSP and ICP relationships. The GIS is used during the creation of all new connections to ensure the correct NSP is notified.

The combined audit compliance reporting found nine ICPs where the NSP may be recorded incorrectly. Examination of these confirmed that the NSP was recorded accurately.

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 customer queries was examined.

Audit commentary

Network Tasman does receive direct requests for ICP identifiers, and these are provided 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

The process to determine correct and unique addresses was examined. The registry list for 31 May 2021 was reviewed to determine compliance.

Audit commentary

The new connections process includes a step where the address is checked for duplication. The "address property name" field on the registry is actively used as an additional measure to ensure compliance with this clause.

Analysis confirmed that all ICPs have street numbers, lot numbers, or in absence of a number, the property name field has additional information to make the ICP easily identified/located. There were no duplicates.

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 discussed.

Audit commentary

All new connections require an individual service main for each ICP to be run to the boundary of the property and Network Tasman provides isolation. "As built" plans are reviewed for all new ICPs which provides visibility of this issue. There are some existing ICPs with "shared mains" and these are identified with tags at the isolation point. When any changes occur at these ICPs with shared mains Network Tasman attempts to deal with any problems by offering assistance where it is required.

All ICPs have a "Network Connection Point" (NCP) number, which is printed onto a label that is physically attached to the isolation point. The NCP number is a subset of the ICP identifier. This approach is an excellent way of ensuring the correct identification of ICPs.

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 one NSP located within it, and the ICP will be supplied only from the NSP advised under Clause 7(1)(b) of Schedule 11.1, or the ICP is a point of connection between a network and an embedded network (Clause 7(1)(l) of Schedule 11.1)*
- *if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (Clause 7(1)(m) of Schedule 11.1)*
- *if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (Clause 7(1)(n) of Schedule 11.1)*
- *if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):*
 - a) *the nameplate capacity of the generator; and*
 - b) *the fuel type,*

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

Audit observation

The management of registry information was reviewed. The registry list and event detail report for 16 May 2023, and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were reviewed to determine compliance. A typical sample of data discrepancies were checked.

Registry data validation processes are discussed in **section 2.1**.

Audit commentary

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

Distributed Generation

Network Tasman has a well-managed process for managing the approval and connection of distributed generation. Applications are received through the Network Tasman website. Once approved all parties are notified and the connection is completed by an approved connection agent. The agent calls Network Tasman at the time of connection and confirms that the capacity of the system matches the application. Copies of the connection paperwork and Records of Inspection are returned to Network Tasman via email.

Network Tasman monitors volume information and if unauthorised connections are found takes immediate action. This can include requesting the installer to lock off the system for safety reasons until the correct process have been completed and/or advising the retailer to correspond with their customer re the unauthorised exporting.

The combined audit compliance reporting found 13 ICPs where the trader profile field indicated distributed generation is present, but Network Tasman has no record of distributed generation.

These were checked and found:

- four ICPs were confirmed to have had the distributed generation removed,
- five ICPs do not have generation despite having import/export metering; Network Tasman has requested the traders to update the registry,
- one ICP had generation connected without an application being received; Network Tasman followed up with the installer and the details were provided and the registry had been updated at the time of the audit,
- one ICP had generation installed but had not following the correct process, so the system has been locked off from exporting and the application cancelled,
- one ICP has generation system installed but not connected; Network Tasman have been advised that there is a dispute between the customer and installer, and the system will be removed, and
- one ICP has subsequently had the generation system connected and details added to registry within two business days.

Initial Electrical Connection Date

Connection agents are required to advise Network Tasman by phone at the time of livening, during the audit two examples of this were observed. The agent is then required to return the completed NCA via email within two days. Upon receipt of this information Network Tasman populates the initial electrical connection date in the database and pushes it to the registry.

1,219 new ICPs were created and electrically connected during the audit period. The audit compliance reporting identified two ICPs, (0000062406NTCF8 and 0000062603NTBB0) with blank initial electrical

connection dates. Both were due to errors in the dates entered and have now been corrected on the registry.

Unmetered Load

Network Tasman has robust processes in place for the management of unmetered load. All unmetered load ICPs have had their capacity and “on time” confirmed through a field audit. Network Tasman are required to update these details “if known”.

Network Tasman uses the recommended format for updating the registry. I compared the daily kWh figures based on Network Tasman’s data to the traders’ daily unmetered kWh figures and found that all except one ICP matched. The trader has removed the unmetered load from one ICP, but Network Tasman has not received notification confirming that the load has been disconnected and believe it is an error, they have followed up with the trader and are awaiting a response.

No new unmetered loads have been connected during the audit period.

Dedicated vs non-dedicated NSP flag

Three new LE ICPs were created during the audit period for an embedded network on the Network Tasman network. I checked the registry and found that for all three ICPs the Dedicated NSP flag was correctly recorded as “Y”.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1) Schedule 11.1 From: 07-Oct-22 To: 13-Jun-23	Two ICPs with the initial electrical connection date not populated. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong. Overall Network Tasman has robust controls in place. The audit risk rating is assessed to be low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
Both ICPs were processed correctly but human error occurred. A Type O in the date meant the IED did not go through to the Registry. Both ICPs have been corrected		13/06/23	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Use discrepancy report more frequently, Create a new process that checks Contractors proposed list with updates-		15/08/23	

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

The distributor must provide the following information to the registry manager no later than 10 business days after the trading of electricity at the ICP commences:

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

Audit observation

The management of registry information was reviewed. The registry list for 16 May 2023, and the combined registry audit compliance reports covering the period from 1 October 2021 to 16 May 2023 were reviewed to determine compliance.

Audit commentary

I confirmed that the registry was updated prior to electrical connection for all ICPs created during the audit period. Placeholder values are not used.

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 registry list as of 16 May 2023 was reviewed to determine compliance.

Audit commentary

GPS co-ordinates are not recorded, and Network Tasman do not have any plans to populate GPS co-ordinates.

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

Network Tasman’s current process is to create all ICPs at the “ready” status.

The registry list showed 40 ICPs currently at “ready” status, three have been at “ready” status for more than two years. This is discussed further in **section 3.14**.

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

Audit commentary

As noted in **section 3.2**, ICP requests come directly from customers or their agents. When an NCA has been approved by Network Tasman the ICP is created at the “Ready” status and a copy of the approved NCA is sent to the electrician, approved connection contractor and the nominated trader. The trader notification requests that Network Tasman is notified within three business days if the trader chooses to decline the ICP/customer. Some traders confirm acceptance via email or by updating the status on the registry to “Inactive – New connection in progress”. Others do not advise Network Tasman of acceptance or update the status on the registry until connection is made. Network Tasman has historical emails from Trustpower, Genesis, Pulse, Mercury, Meridian, and Contact, stating they have a blanket acceptance of new customers.

The price category field in Network Tasman’s ICP database contains a “drop down” list, which ensures each ICP can only have a single price category.

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

Processes to manage the “distributor” status were reviewed.

The registry list for 16 May 2023 was reviewed to identify ICPs at the “distributor” status and check compliance.

Audit commentary

Network Tasman has eight shared unmetered load parent ICPs that have an ICP status of “distributor”. Three embedded network (LE) ICPs were created during the audit period with an ICP status of “distributor”. The details are recorded correctly on the registry for all eleven ICPs.

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 decommissioning process was examined.

The registry list and event detail report for 1 October 2021 to 16 May 2023 were reviewed to identify ICPs at the “decommissioned” or “ready for decommissioning” status.

A diverse sample of ten “decommissioned” ICPs was examined.

Audit commentary

Network Tasman manages ICP decommissioning, and the process is well documented with strong controls in place. Customers or their agents make all decommissioning requests directly to Network Tasman on the same NCA form as used for new connections, which includes approval from the customer. An approved contractor then completely removes the service connection and metering. While onsite the contractor calls Network Tasman by phone to confirm the physical decommission has been carried out. The NCA form is completed along with an “as built” plan, which details exactly what has physically occurred on site. The paperwork is required to be back with Network Tasman within two days. The NCP label is also returned, and a check occurs to ensure the correct ICP has been decommissioned. Once the physical work is complete, notification is made to the relevant trader to change the ICP status to “ready for decommissioning” (1,6), so that Network Tasman can change the status to “decommissioned” (003). Network Tasman monitor ICPs at the “ready for decommissioning” status to ensure the process is being completed in a timely manner.

The sample checked confirmed that all ICPs have been decommissioned for the correct date.

Audit outcome

Compliant

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

The price category code table on the registry was examined.

Audit commentary

No price category codes were created or changed during the audit period.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

The loss category code table on the registry was examined.

Audit commentary

No loss category codes were created 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

The loss category code table on the registry was examined.

Audit commentary

There have been no changes to loss category codes during the audit period.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

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

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

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

Audit observation

The NSP table was examined.

Audit commentary

No NSPs have been created or 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 two local networks. In all other cases, the request must be made at least one month before the NSP is electrically connected or the ICP is transferred.

Audit observation

The NSP table was examined.

Audit commentary

No NSPs have been created or decommissioned during the audit period.

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 NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period.

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 NSP table was reviewed.

Audit commentary

Network Tasman has not created any new embedded networks during the audit period.

As detailed in **section 1.8**, one embedded network was connected to the Network Tasman network by Tenco during the audit period.

Audit outcome

Compliant

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 NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period for Network Tasman's NSPs.

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

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 NSP table was reviewed.

Audit commentary

Network Tasman has not initiated the transfer of any ICPs during the audit period.

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 NSP supply point table was examined.

Audit commentary

Network Tasman is not responsible for any NSPs that are not connected to the grid.

Audit outcome

Compliant

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 NSP supply point table was reviewed.

Audit commentary

Network Tasman have not connected any new NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Network Tasman have not initiated any changes of network owner.

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 NSP supply point table was examined.

Audit commentary

Network Tasman is not responsible for any embedded network gate meters.

Audit outcome

Compliant

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Network Tasman has not initiated the transfer of any ICPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Network Tasman has not initiated the transfer of any ICPs during the audit period.

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 for 1 October 2021 to 16 May 2023 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

Network Tasman has eight shared unmetered load “distributor only” ICPs with 37 related ICPs. The relationship between the parent and child ICPs is correct. No new shared unmetered load has been connected or identified during the audit period.

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 for 1 October 2021 to 16 May 2023 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

There have been no changes to the ICPs with shared unmetered load during the audit period.

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:

- complete and accurate
- not misleading or deceptive
- not likely to mislead or deceive.

Audit observation

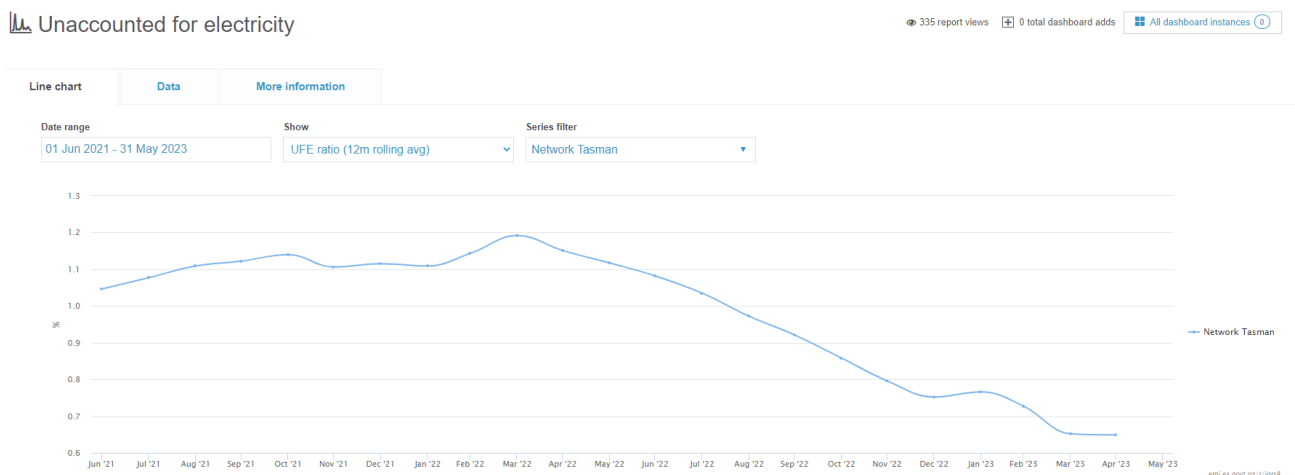
The “Guidelines on the calculation and the use of loss factors for reconciliation purposes” was published on 26 June 2018. I have assessed Network Tasman’s process and compliance against the guideline’s recommended thresholds.

I reviewed correspondence and documentation relating to the loss factor review.

Audit commentary

Network Tasman regularly reviews losses and provided details of its methodology which meets the requirements of the guidelines. The most recent review completed in May 2023 determined that there were no changes required to the current loss factors.

In the last audit an issue was raised regarding a difference between the Network Tasman losses and those calculated by the Reconciliation Manager which was attributed to an error in the Reconciliation Manager’s calculations. The issue had also been raised with the Reconciliation Manager but there had been no response. I obtained the latest UFE information from the EMI website (see chart below) which now confirms that UFE is now tracking within the accepted +/-1% threshold.



Based on the information provided I believe that the Network Tasman loss calculations are correct, and compliance is confirmed.

Audit outcome

Compliant

CONCLUSION

This distributor audit was performed at the request of Network Tasman Limited (Network Tasman), 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 version 7.2, which was produced by the Electricity Authority.

Network Tasman have continued to maintain a high level of compliance with good controls in place for most processes. Robust processes and prompt and accurate update of information is treated as a priority. Reporting and management of the reports is strong, data accuracy issues identified are promptly resolved.

The areas of non-compliance found relate to a low number of late or backdated registry updates.

Overall, the level of compliance is high, and controls generally found to be strong. The audit found six non-compliances and makes no recommendations. The audit risk rating is six, and the next audit frequency table indicates that the next audit be due in 18 months. I have considered this in conjunction with Network Tasman's responses and I recommend an audit period of at least 24 months.

PARTICIPANT RESPONSE

PARTICIPANT RESPONSE Audit 2023

Network Tasman welcomes the opportunity for the 2023 audit of our systems, processes, and compliance by an Electricity Authority-approved auditor. We view the audit as an opportunity to identify shortfalls in our processes that can result in non-compliance.

Network Tasman engaged Provera – Brett Piskulic for this 24-month audit period.

While Network Tasman is confident it has robust processes in place to capture information in an accurate and timely manner to comply with the Code, we continue to review our processes for improvement. Our focus on continual improvement has resulted in the following system/process improvements during the period since the 2021 audit:

- Revised and re-issued NTL's New Connection and ICP Alteration Policy. This policy clearly states NTL requirements for approved contractors who make new connections and ICP alterations on our network.
- Conducted new contractor training on our processes and requirements for new connections and ICP alterations.
- Reminded Distributed Generation Installers of our processes/requirements for the connection on DG to our network.

The small number of non-compliance issues identified in this audit are similar to those identified in our previous audit. Although Network Tasman considers each non-compliance identified as part of this audit to be undesirable, the actual costs of these non-compliances are ultimately immaterial. These non-compliances have largely resulted from external parties failing to follow formal Network Tasman processes or human error.

Given the small number of non-compliances (and their immateriality), the costs of the additional resourcing required to eliminate the risk of similar non-compliances in the future significantly outweigh the benefits to consumers from doing so. Network Tasman acknowledges and accepts that this approach carries a continued risk, albeit small, of future non-compliance.

Additionally, we note that a number of non-compliances are due to the actions of external parties over which Network Tasman has limited control.

The Authority/Auditor sets the timeframe for each distributor's next audit, based on the performance of their most recent audit. Those with better audit results are granted a more extended period between audits, as a recognition of good performance. Following the 2021 audit, Network Tasman was granted a 24-month audit period. As noted earlier, Network Tasman has strengthened its controls since the 2021 Audit. There will be (and has been) natural variation in the number of Network Tasman's non-compliances over time, but we consider that from a risk-based perspective, Network Tasman's risk of non-compliance has decreased since our previous audit.