ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT

For

CENTRALINES NETWORK LIMITED

Prepared by: Rebecca Elliot, Veritek Limited

Date audit commenced: 15 February 2024

Date audit report completed: 15 February 2024

Audit report due date: 04-Mar-24

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EXECUTIVE SUMMARY

This distributor audit was performed at the request of **Centralines,** to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11. Unison performs all of the functions covered by this audit's scope on behalf of Centralines. The audit was carried out at Unison's premises on 14 February 2024.

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

As stated above, Unison performs all of the functions covered by this audit's scope on behalf of Centralines. All the processes were reviewed and are detailed in this report, therefore there is no contractor report to be submitted with this report.

The audit found two non-compliances and makes one recommendation. Both non-compliances relate to late registry updates. There are robust controls in place to ensure discrepancies are identified and resolved in a timely manner, but some reports are not monitored as often as they could be, therefore I've made a recommendation in **section 3.5**, that the frequency of monitoring is reviewed and possibly changed to ensure issues are identified and resolved at the earliest opportunity.

Many of the issues raised in the previous audit have been resolved, including the actions to ensure the Utilities Disputes information is complete.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of three, which results in an indicative audit frequency of 24 months. I agree with this recommendation, which rewards a strong effort in resolving the issues identified in the previous audit.

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
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	Ten initial electrical connection dates not updated within ten business days.	Moderate	Low	2	Identified
Timeliness of registry updates	4.1	8 of schedule 11.1	26 late decommission status updates. One late network update. Three late distributed generation updates.	Strong	Low	1	
Future Risk Rating						3	

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
Monitoring of validation reports	3.5	Review the frequency of monitoring of Gentrack queues and audit compliance reports to ensure discrepancies are identified and resolved as soon as possible.

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

Review of exemptions on the Authority website confirmed that there are no exemptions in place relevant to the scope of this audit.

1.2. Structure of Organisation

Centralines provided their current organisational chart.

1.3. Persons involved in this audit

Auditors

Name	Company	Role
Rebecca Elliot	Veritek Limited	Lead auditor
Steve Woods	Veritek Limited	Supporting auditor

Personnel assisting in this audit were:

Name	Title	Organisation
Raewyn Holloway	Customer Billing Specialist	Unison
Amanda Ward	Customer and Compliance Administrator	Unison
Kimberly Booth	Accounts Administrator	Centralines

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

Unison Networks manage the code related processes on Centralines behalf.

1.5. Supplier list

Unison Networks manage code related processes on Centralines behalf.

1.6. Hardware and Software

Gentrack is used to create ICPs and interface with the registry. Centralines have their own Gentrack environment which is hosted on the Unison Network.

The Centralines' GIS is Small World.

System backups are conducted in accordance with Unison's Operational Security Standard which is reviewed by Audit NZ each year.

Unison has a secondary physical private cloud environment to provide hardware and location redundancy. However, if the Gentrack application failed for any reason there is no software redundancy for that scenario.

The frequency and extent of backups is determined by the importance of the information, potential impact of data loss/corruption, and risk management decisions by the system or data owner.

At a minimum, all on premise systems are backed up utilising snapshot technology daily:

- incremental back up daily (Monday to Thursday) – 14 days retention,
- full back up weekly (Friday) – four weeks retention, and
- full back up monthly (first weekly back up of each month) – seven years retention.

1.7. Breaches or Breach Allegations

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

1.8. ICP and NSP Data

Centralines owns and operates the electricity network in the Central Hawke's Bay region.

The table below lists the relevant NSPs and their associated balancing area, and the number of active ICPs connected.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
CHBP	WPW0331	WAIPAWA			CENTRHBCHBPG	G	1 October 2016	8,913

Status	Number of ICPs (Jan 2024)	Number of ICPs (5 July 2022)	Number of ICPs (12 November 2019)
New (999,0)	-	-	-
Ready (0,0)	19	24	18
Active (2,0)	8,913	8,786	8,387
Distributor (888,0)	-	-	-
Inactive – new connection in progress (1,12)	11	33	22
Inactive – electrically disconnected vacant property (1,4)	319	313	303
Inactive – electrically disconnected remotely by AMI meter (1,7)	23	9	11
Inactive – electrically disconnected at pole fuse (1,8)	9	6	2
Inactive – electrically disconnected due to meter disconnected (1,9)	1	2	1
Inactive – electrically disconnected at meter box fuse (1,10)	1	-	1
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	-	-	-
Inactive – reconciled elsewhere (1,5)	-	-	-
Decommissioned (3)	999	912	867

1.9. Authorisation Received

An authorisation email was provided.

1.10. Scope of Audit

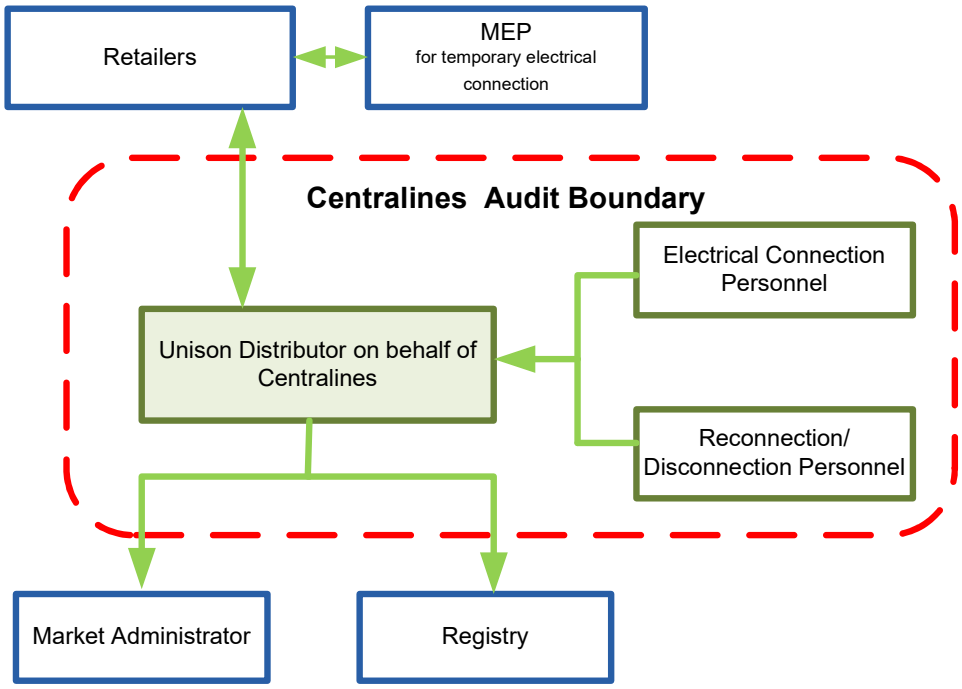
This distributor audit was performed at the request of Centralines, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

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

The table below shows the tasks under clause 11.10(4) of Part 11, which Centralines is responsible for.

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

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



1.11. Summary of previous audit

Centralines provided a copy of their previous audit, conducted in January 2022 by Steve Woods of Veritek Ltd. The audit found six non-compliances and made one recommendation. The matters raised are detailed in the table below:

Table of non-compliances

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	The date used for the population of distributed generation information for ICP 0000034385CH62F does not reflect the actual distributed generation connection date.	Cleared
Requirement to correct errors	2.2	11.2(2) and 10.6(2)	The decommission date for ICP 7008003000CH04F was found to be incorrect due to human error and has not been corrected on the registry.	Cleared
Provision of information on dispute resolution scheme	2.4	Clause 11.30A	Information relating to the dispute resolution scheme is missing from IVR for all incoming calls to Centralines. Some email communications also missing references to the dispute resolution scheme.	Cleared
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	One ICP (0000034511CHEC4) with an incorrect IECD. Eight initial electrical connection dates not updated within ten business days.	Still existing
Timeliness of registry updates	4.1	8 of schedule 11.1	468 pricing updates, two decommission status updates and ten distributed generation updates were updated more than three business days after the event date.	Still existing
Distributor to provide ICP information	4.6	7(1) of Schedule 11.1	One ICP (0000034385CH62F) with incorrect distributed generation details. One ICP (0000034511CHEC4) with an incorrect initial electrical connection date populated. Five ICPs with missing unmetered load details.	Cleared

Table of recommendations

Subject	Section	Recommendation	Status
Monitoring of "new" & "ready" statuses	3.14	I recommend that Centralines review the process for monitoring ICPS at "ready" status with a view to increase the frequency of the monitoring activity and to provide traders with a timeframe for responding to the Centralines escalation before the ICP is decommissioned.	Repeated in **section 3.5** as one general recommendation
ICP location address	4.4	I recommend that Centralines review their address management processes to include a regular review of ICP addresses that includes lot numbers and revise the address details where more information is available.	Repeated in **section 3.5** as one general recommendation
Distributors to Provide ICP Information to the Registry manager	4.6	I recommend that Centralines include a regular comparison between their own unmetered load records to that of traders to ensure the traders unmetered load characteristics are consistent with the actual operation of the unmetered load on the Centralines network.	Repeated in **section 3.5** as one general recommendation
Distributors to Provide ICP Information to the Registry manager	4.6	I recommend that Centralines review the electrical high-risk database to confirm the IECD where differences identified between trader active status date and distributor IECD.	Repeated in **section 3.5** as one general recommendation
GPS coordinates	4.8	I recommend that Centralines escalate the open IT service request so that GPS coordinates can correctly flow through to the Registry as part of the ICP creation process, so this important information is available for all participants to use to locate a property.	Repeated in **section 3.5** as one general recommendation

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 January 2024 and audit compliance reporting for the period 1 September 2022 to 19 December 2023 was examined to confirm compliance.

Audit commentary

Unison run registry discrepancy reporting on a monthly basis. They also monitor and manage the notification files coming back from the registry on a daily basis. Information mismatches are managed well through these BAU processes. Gentrack creates a work queue item for users to investigate wherever a failed update is notified by the registry or an exception of information between the registry and Gentrack is identified. This pending work is managed in the Gentrack work queues so there is high visibility, and any outstanding work is followed up promptly. A recommendation is made in **section 3.5** to review the frequency of monitoring to ensure discrepancies are identified and resolved as soon as possible.

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

Centralines' data management processes were examined. The registry list file as of 16 January 2024 and audit compliance reporting for the period 1 September 2022 to 19 December 2023 was examined to confirm compliance.

Audit commentary

Centralines have processes in place to identify and resolve registry discrepancies as described in **section 2.1**. I saw evidence of incorrect information being corrected during the audit.

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 Centralines process for bridging control devices was examined.

Audit commentary

Centralines have a number of field technicians trained and accredited as metering technicians by the predominant MEPs on this network. This enables the replacement of seals to be undertaken by suitably qualified personnel and this task is completed as a MEP initiated function.

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 process to ensure that information on Utilities Disputes is provided to customers was discussed. Centralines website, email footers, and the Utilities Disputes Messaging process were reviewed.

Audit commentary

Information about Utilities Disputes is prominently and cleared communicated:

- on the Centralines website home page,
- on planned outage letterbox drops and correspondence,
- in the Centralines IVR for phone calls,
- on the facebook page, where there is reference to the website,
- in email signatures,
- on the new connection/distributed generation application web page, and
- in external quotation communication to customers.

The previous audit findings in relation to Utilities Disputes reverences needing improvement has been resolved.

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 20 new connection applications of the 183 created since September 2022 were checked from the point of application through to when the ICP was created.

Audit commentary

Centralines creates ICPs as required by clause 1 of schedule 11.1.

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 20 new connection applications of the 183 created since September 2022 were checked to determine whether the ICP had been created within three business days of a request by a trader.

Audit commentary

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

Centralines generate an ICP based on the request of a party that is not a participant such as the customer or the customers agent. Upon receipt of the application the ICP is created and then sent onto their nominated trader to accept before it is then sent to the registry, therefore compliance with this requirement will always be met. Of the 20 ICPs checked, all ICPs were created within three business days.

Centralines manage new connections using the Gentrack new connections module, which records scanned copies of the associated paperwork. The ICP's are not created until all the relevant details have been provided. New ICPs are electrically connected by a Centralines employed technician. DUML streetlights are connected by Pope Electrical, the local streetlight contractor, who are an approved livening agent within the Centralines network. Pope Electrical completes a new connection application for

each new light or light circuit and includes the proposed connection date which is used to update Centralines count of fittings for billing purposes in Gentrack.

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 20 new connection applications of the 183 created since September 2022 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

A review of the sample of new connections confirmed that the ICP information provided to the registry by Centralines was correct.

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

An event detail report and audit compliance reporting for the period 1 September 2022 to 19 December 2023 was examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

The distributor must provide to the registry the information listed in clause 7(1) of schedule 11.1 as soon as practicable, and before electricity is traded at the ICP. ICPs are created at "ready" unless a network extension is needed.

183 new ICPs have been created since September 2022. Of those, 162 have been completed and connected. I reviewed these completed new connections and found they were updated to "ready", and had a trader and pricing recorded prior to electricity being traded.

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The event detail report and the registry list were examined to determine the timeliness and accuracy of initial electrically connected dates for the 162 completed new connections.

All ICPs with an initial electrically connected date populated where the trader has not recorded "active" status were checked.

Audit commentary

183 new ICPs have been created during the audit period. Of those, 162 have been electrically connected. The audit compliance reports identified ten ICPs where the IECD was updated later than ten business days. The late updates were reviewed and found:

- nine ICPs did not have electrical connection notifications sent from the field and the daily reporting to identify these discrepancies also had not worked as expected; this matter is now resolved, all dates have been populated, and
- one initial electrical connection date update was late because the file rejected but was not immediately identified as an issue.

The two points above raise a wider issue regarding the frequency that discrepancy reports are monitored. I recommend the frequency of monitoring Gentrack queues and audit compliance reports is reviewed to ensure discrepancies are identified and resolved as soon as possible.

Description	Recommendation	Audited party comment	Remedial action
Monitoring of validation reports	Review the frequency of monitoring of Gentrack queues and audit compliance reports to ensure discrepancies are identified and resolved as soon as possible.	Agree that the queues need to be monitored on a more regular basis. We will look to implement this.	Identified

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: Clause 7(2A) of schedule 11.1 From: 01-Sep-22 To: 19-Dec-23	Ten initial electrical connection dates not updated within ten business days. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. An additional control could be implemented, which is to monitor the audit compliance report on a fortnightly or monthly basis to identify missing initial electrical connection dates. The risk rating is low because this has no direct impact on reconciliation.

Actions taken to resolve the issue	Completion date	Remedial action status
The RSPAlert file is now monitored on a daily basis.	Already being done.	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We also have another report that we run that will identify anything that is connected that does not have an IED. We will ensure this is also run on a regular basis.	Already being done.	

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 event detail file and registry list were examined to determine compliance.

Audit commentary

The new connection process requires applications for new connections to be accepted by the nominated trader before they are sent to the registry.

Review of the registry list confirmed that a trader is currently recorded for all "active" and "inactive" ICPs. All ICPs had a proposed trader recorded on the registry prior to being connected.

There is no shared unmetered load on the Centralines' network and a review of the registry list confirmed this.

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 new connection process was examined in **section 3.2**. A diverse characteristics sample of 20 new connection applications of the 183 created since September 2022 were checked to determine if the ICPs were connected at the request of the trader.

Audit commentary

The new connection process requires applications for new connections to be accepted by the nominated trader before they are sent to the registry.

Review of the sample of new connections confirmed that all new connections had a proposed trader recorded and had been made "ready" prior to the electrical connection date.

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

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

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

Audit observation

The new connection process was examined in **section 3.2**. The event detail file and registry list were examined to determine compliance.

Audit commentary

Centralines' processes are robust in relation to this clause as an ICP will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP. No temporarily connected ICPs 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 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 Centralines during the audit period.

Audit outcome

Not applicable

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

Code reference

Clause 10.30A and 10.30B

Code related audit information

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

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

A distributor may only electrically connect an NSP if:

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

Audit observation

The NSP table was reviewed.

Audit commentary

No new NSPs were created by Centralines during the audit period.

Audit outcome

Not applicable

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

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

ICP numbers are created in Gentrack. 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 was examined to confirm all active ICPs have a single loss category code.

Audit commentary

Within the Gentrack new connection module, each price category code/tariff has been mapped to the respective distribution network loss factor code. This ensures that there is always a loss factor assigned whenever an ICP is created and ensures that for upgrades and downgrades that where a change in loss factor is required that this update is correctly applied in the registry once Centralines have amended the relevant price category code for the ICP.

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 event detail file and registry list were examined to determine compliance.

Audit commentary

Centralines creates all ICPs at "ready", unless they know a network extension needed.

No ICPs currently have the "new" status recorded. Monitoring of ICPs with "new" and "ready" 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 process to monitor ICPs at "new" and "ready" status was reviewed. The registry list was examined to determine compliance.

Audit commentary

ICPs at the "new" or "ready" statuses are monitored on a regular basis via a work queue in Gentrack.

There were 19 ICPs with the "ready" status, and five had been at this status for greater than 24 months.

Centralines periodically monitors and escalates ICPs at "new" or "ready" to the relevant trader where the ICPs remain at for an extended period of time. All relevant ICPs have had correspondence with the relevant traders. In **section 3.5**, I have made a general recommendation that the frequency of discrepancy monitoring is reviewed to ensure discrepancies are identified and resolved as soon as possible.

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:*
    - *the unique loss category code assigned to the ICP,*
    - *the ICP identifier of the ICP,*
    - *the NSP identifier of the NSP to which the ICP is connected,*
    - *the plant name of the embedded generating station.*

Audit observation

The list file as of 16 January 2024 was examined.

Audit commentary

Centralines does not supply any embedded generation stations with a capacity of 10 MW or more.

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

I checked the new connection process and the electrical connection of streetlight circuits, which are a point of connection.

Audit commentary

<u>New connections</u>

The new connection process includes a step where Centralines approves all electrical connections.

Streetlights

Upon receipt, the new connection paperwork is checked for completeness and accuracy and any issues are followed up with the streetlighting contractor. The new connection request includes the expected livening date. The new lighting details are then added to Gentrack for billing purposes only.

The Streetlighting contractor then performs the livening task as an authorised livening agent once the respective retailer has acknowledged and accepted the new connection application for these additional lights.

The livening instruction process for additional DUML lights is reviewed as part of the respective Reconciliation Participant audits.

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 disconnection process was examined.

Audit commentary

Centralines will only undertake an electrical disconnection when a service request is received from a trader.

Centralines will perform safety disconnections on request from parties such as the Fire Service and the relevant trader is then notified.

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

Processes for meter bridging were reviewed.

Audit commentary

Some CHBP field staff are trained as meter technicians and accredited by MEPs to undertake work on their equipment. Where a meter is required to be bridged then an appropriately trained technician will perform this task as part of a MEP function.

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.

Audit observation

The management of registry updates was reviewed.

The event detail report from 1 September 2022 to 19 December 2023 was reviewed to determine compliance. An extreme case sample of ten backdated events (or less if there were less than ten) by type were reviewed to determine the reasons for the late updates, including all late address and status events, and the ten latest network and pricing events.

Audit commentary

When information that is held by the registry changes, the distributor responsible for that ICP must provide notice to the registry of that change within three business days of that change taking effect. The event detail reports were examined to identify backdated event updates.

Address events

543 address updates were identified. All updates were on time.

Distributed generation events

95% of distributed generation updates were made within three business days with an average update time of 0.8 business days. There were three late updates over the audit period. In all cases, late notification from the field was the cause.

During the previous audit, Centralines amended their process around performing registry updates for distributed generation connections in order to attempt to achieve the three business days timeframe required. Centralines uploads the proposed distributed generation connection date from an approved distributed generation application into Gentrack. Once this proposed connection date occurs then Gentrack will trigger a registry update. This is why the average time to perform registry updates for distributed generation connections is 0.8 days. By using the proposed connection dates there is a risk that delayed or cancelled distributed generation installations will result in an incorrect information being populated on the registry. However, given the quantity of delayed notifications from the field, by parties Centralines has no control over, this process appears to be resulting in much more accurate registry fields and the timeliness has improved.

Network events

There was only one late network update, for ICP 0000034731CH996 where the proposed trader was changed.

As there is only one NSP for Centralines, no NSP changes can occur.

Pricing events

682 pricing updates were identified. 220 of these were updated more than three business days after the event. The Code now allows backdating of price category code changes as long as the change is made within three business days of agreement with the trader. I checked a sample of ten updates, and all were made within three business days of the request by the trader.

Status events

Centralines expect all traders to send a request for an ICP to be decommissioned. Once received the decommissioning is carried out by one person at Centralines. Once the decommission is completed in the field the notification is passed promptly to the trader, at the same time as it is sent to Unison to update the registry on behalf of Centralines. 76 status updates to decommissioned were identified and 26 were updated later than three business days of receiving notification from the trader. I checked a sample of 16 and found the following:

- nine were changes to the decommissioned date for the removal of ARC Innovations AMI controllers,
- three were late notifications from Centralines to Unison to make the status change, and
- four were where Centralines were waiting for the trader to make the change to "ready for decommissioning" and although there is daily reporting of this change, the decommissioning update was still later than three business days; in **section 3.5**, I make a general recommendation regarding the frequency of discrepancy report monitoring.

The backdating of events to the registry is recorded as non-compliance. Most of the backdated requests relate to data corrections, which makes Centralines non-compliant with this clause, but compliant with the requirement to provide complete and accurate information (clause 11.2 of part 11).

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Sep-22 To: 19-Dec-23	26 late decommission status updates. One late network update. Three late distributed generation updates. 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 there are robust checks in place to ensure that the registry is updated as soon as possible where possible. The risk rating is low, because most of the delayed updates were processed within 30 days. Based on the sample checked, the later updates appear to be mostly data corrections.

Actions taken to resolve the issue	Completion date	Remedial action status
In almost every case, we receive the paperwork from Centralines for decommissions before the status has been changed so running the report is our way of monitoring these. There will always be changes to distributed generation and in some cases the generation data is populated but then the job doesn't go ahead. Monitoring of queue items on a more regular basis as per comments above.	Already being done.	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
We are already running a report on a regular basis to pick up on any ICP's that have been set to the "DX" status.	Already being done.	

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 registry list and event detail report were reviewed to determine compliance.

Audit commentary

Centralines has only one NSP (WPW0331) therefore all the ICPs on the Centralines network are connected to it.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

The management of customer queries was examined.

Audit commentary

Centralines seldom receives direct requests for ICP identifiers, but these are provided immediately on request once the address has been confirmed.

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 was reviewed to determine compliance for all "active" and "inactive" ICPs.

Audit commentary

302 "active" ICPs do not have a property name, physical address unit, or physical address number recorded. However, all have GPS coordinates enabling the ICPs to be readily located.

All "active" ICPs have GPS coordinates apart from the two distributed unmetered load ICPs.

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

For new connections, this clause is well understood. There are some historic shared service mains, but these were all connected prior to this requirement coming into effect.

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 registry information was reviewed. The registry list and event detail reports were reviewed to determine compliance.

A typical sample of data discrepancies were checked.

Audit commentary

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

Price and loss categories

Analysis of the list file found all "active" ICPs had a price category and loss category assigned.

Generation

Centralines require an application from any customers wanting to connect distributed generation. The application details including the proposed connection date are loaded into Gentrack and this creates a queue item showing that an application has been received and is pending. Because the proposed connection date has been loaded into Gentrack, a registry update will be triggered once the proposed connection date occurs and the registry will be populated using the application details as opposed to the "as built" details from the livening paperwork.

Once the distributed generation electrical connection is advised by Centralines, the details are then compared to what was initially populated in Gentrack from the application and any updates to the distributed generation attributes are uploaded to the registry.

A check is conducted for the small number of ICPs where the proposed connection date has occurred, but no connection paperwork has been received in case these distributed generation connection applications have been subsequently cancelled by the installer.

The use of proposed distributed generation information from a DG application to initially populate the registry is to try and meet the code related timeframe of three business days to provide updates to a network event. This approach to try and accomplish the timeliness aspect of the registry population obligations can result in incorrect information being populated and impacting the accuracy aspect of Centralines registry population obligations. However, this process is an improvement on the previous process because it reduces the issues associated with late updates from contractors who are not under the control of Centralines.

Additional to this the EIEP files are monitored to identify any ICPs where generation is recorded but where Centralines has no distributed generation recorded. All such instances are investigated.

Analysis of the registry list confirmed there are 363 ICPs with generation capacity recorded. All ICPs with generation capacity have a fuel type recorded on the registry and a correct installation type of "B".

Unmetered load

No unmetered load changes were made during the audit period and there were no discrepancies identified. A regular comparison is undertaken between the Centralines unmetered load fields and the traders' unmetered load fields.

Initial electrically connected dates

The audit compliance report was examined to determine the accuracy of initial electrically connected dates. There were no differences between the initial electrical connection dates and the traders' "active" dates. No initial electrical connection dates were missing.

Audit outcome

Compliant

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 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 registry information was reviewed. The event detail report, audit compliance report and registry list were reviewed to determine compliance.

Audit commentary

162 new connections were completed and made "active" during the period reviewed. I reviewed these completed new connections on the event detail report and found all had a pricing category entered within ten days of being electrically connected.

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 was reviewed to determine compliance.

Audit commentary

All ICPs apart from two distributed unmetered load ICPs have GPS coordinates recorded in the correct format.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

Before an ICP is given the "ready" status in accordance with clause 14(1) of schedule 11.1, the distributor must:

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

Audit observation

Processes to manage the "ready" status were reviewed.

The event detail report and registry list were reviewed to identify and check ICPs at the "ready" status.

Audit commentary

Centralines creates all ICPs at the "ready" status, unless they know a network extension is needed.

All 162 ICPs connected during the audit period were made "ready" prior to electricity being traded, as discussed in **section 3.4.**

19 ICPs currently have the "ready" status, and all have a single price category assigned and trader identified.

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 event detail report and registry list were reviewed to identify ICPs at the "distributor" status.

Audit commentary

Centralines does not supply any ICPs with the "distributor" status; no embedded networks or shared unmetered load is connected to the Centralines network.

Audit outcome

Not applicable

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

- *electrical installations associated with the ICP are physically removed (clause 20(2)(a) of schedule 11.1); or*
- *there is a change in the allocation of electrical loads between ICPs with the effect of making the ICP obsolete (clause 20(2)(b) of schedule 11.1); or*

- *in the case of a distributor only ICP for an embedded network, the embedded network no longer exists (clause 20(2)(c) of schedule 11.1).*

Audit observation

The decommissioning process was discussed.

The event detail report and registry list were reviewed to identify ICPs at the "decommissioned" status. All ICPs at "ready for decommissioning", and ten "decommissioned" ICPs were checked.

Audit commentary

The decommissioning process is described in **section 4.1** and compliance is confirmed in relation to this process.

There were no ICPs at the "inactive - ready for decommissioning" status.

Late updates to "decommissioned" status are recorded as non-compliance in **section 4.1.**

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

There were no new codes created during the audit period.

Audit outcome

Not applicable

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 new loss category codes have been 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

Three loss factors were changed on 1 April 2023 and the notification was provided on 17 January 2023, which achieves compliance.

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 or 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 reviewed.

Audit commentary

Centralines has not created or decommissioned any NSPs 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 reviewed.

Audit commentary

No NSPs have been created or decommissioned during the audit period, and there is only one NSP therefore there were no NSP changes.

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

Centralines has not created any new embedded networks 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.

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 3 business days before the transfer takes effect.

Audit observation

The NSP table was reviewed.

Audit commentary

Centralines 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 reviewed.

Audit commentary

Centralines do not have responsibility for any NSPs that are not POCs 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

Centralines do not have responsibility for any NSPs that are not POCs to the grid.

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 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

Centralines 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 reviewed.

Audit commentary

Centralines do not have responsibility for any NSPs that are not POCs to the grid.

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

Centralines is not responsible for embedded network gate meters.

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

Centralines 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 was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

Centralines does not intend to allow any new shared unmetered load connections. Review of a registry list confirmed there is no shared unmetered load connected to any Centralines ICP and no potential shared unmetered load has been identified from any of the streetlight audits undertaken on the network.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

Centralines does not intend to allow any new shared unmetered load connections. Review of a registry list confirmed there is no shared unmetered load connected to any Centralines ICP.

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

The calculation of loss factors was reviewed.

Audit commentary

Centralines use Unison's documented loss factor process to determine losses. These follow the "Guidelines on the calculation and the use of loss factors for reconciliation purposes v2.1". Loss factors have been reviewed during the audit period and no changes were made. The chart below shows that UFE is just above 0.5%.

Centralines does actively monitor UFE and any unexpected variation between GXP volumes and reconciled volumes. Ensuring traders have accurately submitted volumes ensures ongoing reviews of loss factors are using data with a high confidence level.

Where a variance is detected Centralines will escalate the issue to the likely trader causing the unexpected UFE.

Audit outcome

Compliant

CONCLUSION

Unison performs all of the functions covered by this audit's scope on behalf of Centralines. All the processes were reviewed and are detailed in this report, therefore there is no contractor report to be submitted with this report.

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

The audit found two non-compliances and makes one recommendation. Both non-compliances relate to late registry updates. There are robust controls in place to ensure discrepancies are identified and resolved in a timely manner, but some reports are not monitored as often as they could be, therefore I've made a recommendation in **section 3.5** that the frequency of monitoring is reviewed and possibly changed to ensure issues are identified and resolved at the earliest opportunity.

Many of the issues raised in the previous audit have been resolved, including the actions to ensure the Utilities Disputes information is complete.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The future risk rating table provides some guidance on this matter and contains a future risk rating score of three, which results in an indicative audit frequency of 24 months. I agree with this recommendation, which rewards a strong effort in resolving the issues identified in the previous audit.

PARTICIPANT RESPONSE