

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

Buller Electricity

Prepared by: Paul Troon

Date audit commenced: 3 October 2017

Date audit report completed: 30 October 2017

Audit report due date: 2 December 2017

TABLE OF CONTENTS

Executive summary	4
Audit summary.....	5
Non-compliances	5
Recommendations.....	5
Recommendations	Error! Bookmark not defined.
Issues 5	
1. Administrative.....	6
1.1. Exemptions from Obligations to Comply With Code (Section 11)	6
1.2. Structure of Organisation	6
1.3. Persons involved in this audit	6
1.4. Use of Contractors (Clause 11.2A)	7
1.5. Supplier list.....	7
1.6. Hardware and Software	7
1.7. Breaches or Breach Allegations.....	7
1.8. ICP and NSP Data.....	7
1.9. Authorisation Received	8
1.10. Scope of Audit	8
1.11. Summary of previous audit	8
2. Operational Infrastructure.....	10
2.1. Requirement to provide complete and accurate information (Clause 11.2(1))	10
2.2. Requirement to correct errors (Clause 11.2(2))	10
3. Creation of ICPs.....	11
3.1. Distributors must create ICPs (Clause 11.4)	11
3.2. Participants may request Distributors to create ICPs (Clause 11.5(3))	11
3.3. Provision of ICP Information to the registry (Clause 11.7).....	12
3.4. Timeliness of Provision of ICP Information to the registry (Clause 7(2) of Schedule 11.1).....	12
3.5. Timeliness of Provision of Initial Energisation Date (Clause 7(2A) of Schedule 11.1)	12
3.6. Connection of ICPs (Clause 11.17).....	14
3.7. Electrical connection of ICPs (Clause 10.28(7))	15
3.8. Electrical connection of ICP that is not an NSP (Clause 10.31)	16
3.9. Electrical connection of NSP that is not a point of connection to the grid (Clause 10.30(2))	16
3.10. Definition of ICP identifier (Clause 1(1) Schedule 11.1)	17
3.11. Loss category (Clause 6 Schedule 11.1).....	17
3.12. Management of “new” status (Clause 13 Schedule 11.1).....	18
3.13. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1).....	18
3.14. Embedded generation loss category (Clause 7(6) Schedule 11.1)	19
4. Maintenance of registry information	20
4.1. Changes to registry information (Clause 8 Schedule 11.1)	20
4.2. Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1)	22
4.3. Customer queries about ICP (Clause 11.31(2))	23
4.4. ICP location address (Clause 2 Schedule 11.1)	23
4.5. ICP de-energisation (Clause 3 Schedule 11.1).....	24
4.6. Distributors to Provide ICP Information to the Registry (Clause 7(1) Schedule 11.1).....	24
4.7. Replacement of placeholder information after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1).....	28
4.8. GPS coordinates (Clause 7(8) and (9) Schedule 11.1)	28
4.9. Management of “ready” status (Clause 14 Schedule 11.1)	29
4.10. Management of “Distributor” status (Clause 16 Schedule 11.1)	29

4.11.	Management of “decommissioned” status (Clause 20 Schedule 11.1)	29
4.12.	Maintenance of price category codes (Clause 23 Schedule 11.1)	30
5.	Creation and maintenance of loss factors	31
5.1.	Updating table of loss category codes (Clause 21 Schedule 11.1)	31
5.2.	Updating loss factors (Clause 22 Schedule 11.1)	31
6.	Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs)	32
6.1.	Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1)	32
6.2.	Provision of NSP information (Clause 26(1) and (2) Schedule 11.1)	32
6.3.	Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1)	33
6.4.	Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)	33
6.5.	Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1)	34
6.6.	Notify when an ICP becomes an NSP (Clause 27 Schedule 11.1)	34
6.7.	Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)	34
6.8.	Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1))	35
6.9.	Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2))	35
6.10.	Obligations concerning change in network owner (Clause 29 Schedule 11.1)	36
6.11.	Electrically connecting NSP that is not point of connection to grid (Clause 10.30(1))	36
6.12.	Change of MEP for embedded network gate meter (Clause 10.22(1)(b))	37
6.13.	Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)	37
6.14.	Transfer of ICPs for embedded network (Clause 6 Schedule 11.2)	38
7.	Maintenance of shared unmetered load	39
7.1.	Notification of shared unmetered load ICP list (Clause 11.14(2) and (4))	39
7.2.	Changes to shared unmetered load (Clause 11.14(5))	39
8.	Calculation of loss factors	40
8.1.	Creation of loss factors (Clause 11.2)	40
	Conclusion	41
	Participant response	41

EXECUTIVE SUMMARY

This audit has found 4 alleged non compliance related to;

- New connections.
- Maintenance of registry information for ICPs.

All are identified as having had little or no impact on any consumer, participant or the market.

BUEL have been very helpful providing all information requested for this audit.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Initial energisation date.	3.5	7(2A) of schedule 11.1	Late provision of initial energisation date.	Moderate.	Low.	2	Identified.
Trader approval prior to connection of ICP.	3.6	11.17	Trader approval not obtained prior to connection of 1 ICP.	Weak.	Low.	3	Identified.
Trader requests connection of ICP.	3.7	10.28(7)	1 ICP connected without trader request.	Weak.	Low.	3	Identified.
Changes to registry information.	4.1	8 of schedule 11.1	Changes not provided within 3 business days.	Moderate.	Low.	2	Identified.
Future Risk Rating.						10	

RECOMMENDATIONS

Subject	Section	Recommendation	Description

ISSUES

Subject	Section	Recommendation	Description

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

We have examined the Authority register of exemptions from the code.

Audit commentary

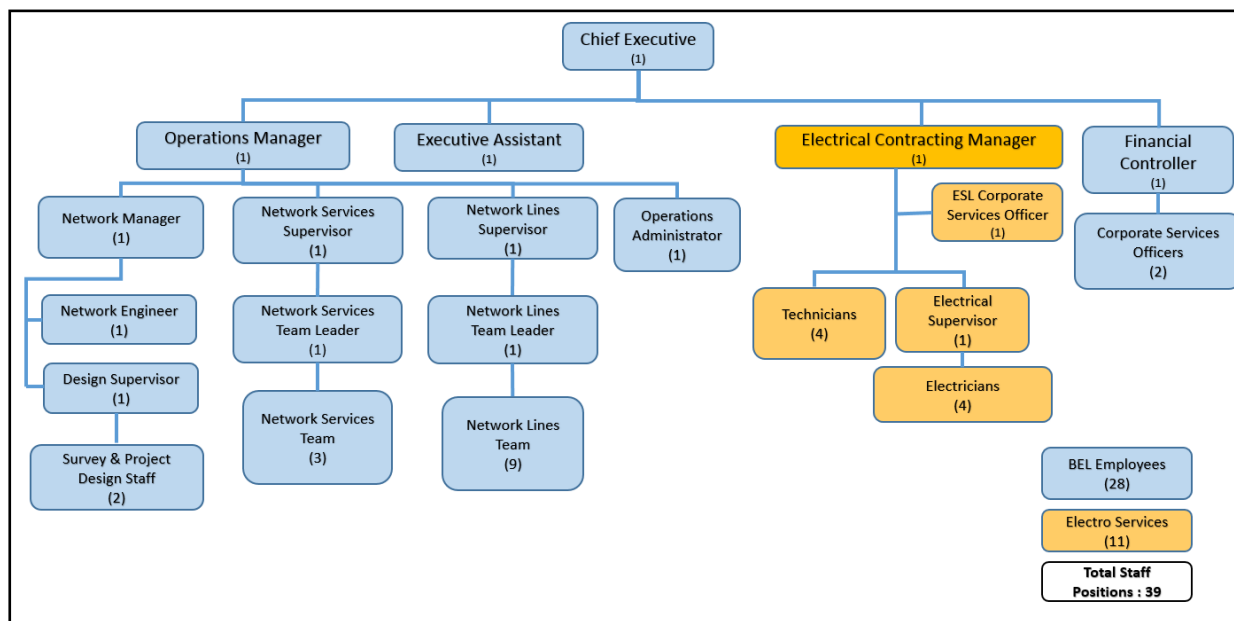
BUEL do not hold any exemption from the code.

Audit outcome

Compliant

1.2. Structure of Organisation

Buller Electricity and Electro Services



1.3. Persons involved in this audit

Name	Title	Company
Chris Osauskas	Network Engineer	Buller Electricity
Paul Troon	Auditor	Paul Troon Consultancy

1.4. Use of Contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit commentary

BUEL do not use any contractor to perform any task relevant to this audit.

1.5. Supplier list

Not applicable

1.6. Hardware and Software

BUEL use custom developed computer software systems to manage their compliance responsibilities relevant to this audit.

1.7. Breaches or Breach Allegations

We have examined the Electricity Authority web site and no existing breaches or breach allegations relevant to this audit are identified.

1.8. ICP and NSP Data

NSP : The following NSP information is sourced from the NSP table.

NSP	POC code	Network participant	Reconciliation type	Balancing code	Start date	MEP	Responsible participant	Certification expiry
ORO1101BUELGN	ORO1101	BUEL	GN	ROBERTSBUEL	01/05/2008	TPNZ	TPNZ	11/01/2020
ORO1102BUELGN	ORO1102	BUEL	GN	ROBERTSBUEL	01/05/2008	TPNZ	TPNZ	10/01/2020

ICP: The following ICP information is sourced from the audit data set.

Status	Number of ICPs 3/10/2017
Active (2,0)	4,629
Inactive- new connection in progress (1,12)	2
Inactive – vacant (1,4)	159
Inactive – AMI remote disconnection (1,7)	16
Inactive – -at pole fuse (1,8)	1
Inactive – - meter disconnected(1,9)	1
Inactive – de-energised at meter box switch (1,10)	0
Inactive- at meter box switch (1,11)	0
Inactive – ready for decommissioning (1,6)	80
Inactive - reconciled elsewhere (1,5)	0
Decommissioned (3)	214

1.9. Authorisation Received

Not applicable - the auditor has not required authorisation to seek information from any party regarding this audit.

1.10. Scope of Audit

The scope of this audit is all distributor functions as required by Clauses 16A.3 to 16A.16 and 16A.23

The following additional matters specified by the Authority are considered.

Emphasis required by Authority Clause 10A.9

We have not received any notice of specific emphasis required by the Authority.

Self reported instances of non compliance

We have not been advised of any self reported instances of non compliance.

Follow up from previous audit

From the review of the previous audit we identify the following matters as included in the scope of audit.

- Required information not provided to registry before electricity traded
- Provision of first trader ID to registry prior to receiving that information from the first trader.
- Changed ICP information provided to registry later than 3 business days after event.
- ICP location address not readily locatable.
- Energisation date not provided within 10 business days.

Compliance with exemption

No relevant exemptions are identified.

1.11. Summary of previous audit

The following information is sourced from the previous audit report.

Table of non-compliance

Non-compliance	Description	Audited party comment	Remedial action
With: Clause 11.7	Failure to provide the required information to the registry prior to electricity being traded at the ICP.		Investigating
From / to: Open	Indicative impact: Unknown		
Report section: Error! Reference source not found.	Audit history: None		
	Procedures: Need improvement		
Non-compliance	Description	Audited party comment	Remedial action
With: Clause 11.7 (1) (j)	Provision of first retailer ID on registry before receiving that information from the first retailer.		Investigating
From / to: Open	Indicative impact: Unknown		
Report section: Error! Reference source not	Audit history: None		
	Procedures: Need		

found.	improvement		
Non-compliance	Description	Audited party comment	Remedial action
With: Clause 8 of Schedule 11.1	Failure to provide registry information within 3 business days of the event occurring for 3 ICPs.		Investigating
From / to: Open	Indicative impact: Unknown		
Report section: Error! Reference source not found.	Audit history: None previously		
	Procedures: Need improvement		
Non-compliance	Description	Audited party comment	Remedial action
With: Clause 2 of schedule 11.1	Failure to provide registry ICP location addresses that allow the ICP to be readily located.		Investigating
From / to: Open	Indicative impact: Unknown		
Report section: Error! Reference source not found.	Audit history: Twice previously		
	Procedures: Need improvement		
Non-compliance	Description	Audited party comment	Remedial action
With: Clause (7 (1) (p)) and (2A) of schedule 11.1	Failure to provide initial energisation date within 10 business days after the ICP is initially energised.		Investigating
From / to: Open	Indicative impact: Unknown		
Report section: Error! Reference source not found.	Audit history: none		
Error! Reference source not found.	Procedures: Need improvement		

Table of recommendations

There were no recommendations arising from the previous audit.

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(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 Part 11 is:

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

Audit Observation

We have evaluated the audit data set throughout this audit to determine instances of the provision of incorrect, incomplete or misleading information.

Audit commentary

We have not identified any instances of the provision of incorrect, incomplete or misleading information.

Audit outcome

Compliant

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

Code reference

Clause 11.2(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

We have evaluated the audit data set throughout this audit for errors that BUEL were aware of and did not correct.

Audit commentary

We have not identified any errors that BUEL were aware of that have not been corrected.

Compliance is confirmed.

Audit outcome

Compliant

3. CREATION OF ICPS

New connections sample selection.

Compliance with the requirements for the creation of ICPS is determined by examining a sample of the new connections created by the distributor and made active by a trader during the period of audit. It is necessary to examine a sample because the registry does not hold all information relevant to auditing these functions, and consequently additional information must be obtained from the distributor.

A risk analysis is performed to inform the sample size selection. The inherent risk for these functions is determined by the Authority as high and the controls in place to ensure compliance are assessed as weak. The residual risk is therefore high and we examine all obligations with a high sample size that is appropriate to the population size.

BUEL have created 22 new connections during the period of audit. We randomly select a sample of 25% (6) of these using the judgment based methodology.

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

We have examined the ICP identifiers for all new ICPS created during the period of audit.

Audit conclusion

All ICP identifiers have passed the registry ICP identifier test. Compliance is confirmed.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

The Distributor, within 3 business days of receiving a request from a participant 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

We have examined the Distributors records for each of the ICPS in the new connections sample to identify if a request for the creation of an ICP identifier has been made by a participant.

Audit commentary

None of the ICPS were created as a result of a request from a participant, compliance is confirmed.

We further note that the Distributor has created all ICPS on the registry in a timely manner.

Audit outcome

Compliant

3.3. Provision of ICP Information to the registry (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 clause 7 of Schedule 11.1.

Audit observation

We have examined all ICPs in the new connections sample and confirm that all achieved status active which can only be achieved if the Distributor has provided all the required information.

Audit commentary

Based on the audit observation described above we find the participant compliant with this clause of the Code.

Audit outcome

Compliant

3.4. Timeliness of Provision of ICP Information to the registry (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

We have examined all new connections in the audit data set to determine the date on which the Distributor provided all the information required. We have compared this date with the date on which the trader first traded electricity at the ICP.

Audit commentary

In all instances the required information was provided to the registry before the ICP was traded. Compliance is confirmed.

Audit outcome

Compliant

3.5. Timeliness of Provision of Initial Energisation 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 no later than 10 business days after the date on which the ICP is initially energised.

Audit Observation

We examined the provision of the initial energised date for all 22 new connections created during the period of audit and found that all ICPs have an initial energised date provided. For 2 of these ICPs the initial energisation date was not provided within 10 business days.

Audit commentary

Based on examination of all new connections created during the period of audit we find the initial energisation date had not been provided within 10 business days for 2 ICPs.

No participant or reconciliation process depends on this information being provided, we therefore assess the potential adverse impact of the alleged non compliance as none.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 3.5</p> <p>With: 7(2A) of schedule 11.1</p> <p>From: 02-Dec-16</p> <p>To: 03-Oct-17</p>	<p><i>Distributor provides initial energisation date to registry.</i></p> <p><i>The participant did not provide the initial energisation date for 2 new ICPs within the required period.</i></p> <p>Potential impact: None</p> <p>Actual impact: None</p> <p>Audit history: Twice</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>Audit risk is assessed as Low because only 2 ICPs are involved and the delay was not great (11 and 17 BD). No participant or reconciliation process depends on this information.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>BEL has recently implemented a new database system for the processing of new connections. BEL has also reorganised the roles of its field staff, incorporating a dedicated new connections team who will undertake all initial energisation work. This will improve the timeliness of field staff completing energisation paper work.</p>		1/10/2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>The new database system incorporates in-built controls for documentation archiving, Registry updates, error checking, and overall process control. It will allow BEL to more accurately monitor the progress of new connections and automatically notify staff to areas requiring attention. Implementation of the new database system, staff training, and verification/bedding-in of the processes is currently in progress.</p>		1/12/2017	

3.6. Connection of ICPs (Clause 11.17)

Code reference

Clause 11.17

Code related audit information

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

The Distributor must not electrically 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 electrically connect an ICP unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load.

Audit Observation

For the new connections sample we have identified from the registry record the date on which the first trader was recorded on the registry. We have obtained from the Distributor the date on which each ICP in the new connections sample was electrically connected.

Audit commentary

For 1 ICP BUEL were unable to demonstrate that they had received first trader approval, for the remaining 5 ICPs BUEL received first trader approval on or prior to the date of electrical connection of the ICP.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.6 With: Clause 11.17 From: 02-Dec-16 To: 03-Oct-17	<i>Trader approval required prior to electrical connection.</i> <i>Trader approval was not obtained prior to electrical connection of 1 ICP.</i> Potential impact: Low Actual impact: None Audit history: Once Controls: Weak Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	This is an isolated incident. The process in place has proven to ensure all ICP consumption is traded for every new ICP as is the case with this one.		
Actions taken to resolve the issue		Completion date	Remedial action status
BEL has recently implemented a new database system for the processing of new connections.		1/10/2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

The new database system incorporates in-built controls for documentation archiving, Registry updates, error checking, and overall process control. It will allow BEL to more accurately monitor the progress of new connections and automatically notify staff to areas requiring attention. Implementation of the new database system, staff training, and verification/bedding-in of the processes is currently in progress.	1/12/2017	
--	-----------	--

3.7. Electrical connection of ICPs (Clause 10.28(7))

Code reference

Clause 10.28(7)

Code related audit information

A network owner must not electrically connect a new point of connection that is to be quantified by metering unless requested to do so by the:

- *MEP (for a temporary energisation); or*
- *reconciliation participant responsible for ensuring there is a metering installation.*

Audit Observation

For the new connections sample of 6 ICPs we asked the Distributor to provide evidence of approval from the trader assuming responsibility for metering at the ICP, and we examined that evidence to determine the date on which the approval (request to connect) was given.

Audit commentary

For one ICP BUEL could not demonstrate they had received approval from the first trader prior to electrically connecting the ICP, for all others first trader approval was received on or before the day of electrical connection.

We identify this as an alleged non compliance.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 3.7</p> <p>With: Clause 10.28(7)</p> <p>From: 02-Dec-16</p> <p>To: 03-Oct-17</p>	<p><i>ICP must not be electrically connected unless trader has requested connection.</i></p> <p><i>BUEL were unable to demonstrate a request from a trader prior to electrical connection of 1 ICP.</i></p> <p>Potential impact: Low</p> <p>Actual impact: None</p> <p>Audit history: Once</p> <p>Controls: Weak</p> <p>Breach risk rating: 3</p>

Audit risk rating	Rationale for audit risk rating		
Low	This is an isolated incident. The process in place has proven to ensure all ICP consumption is traded for every new ICP as is the case with this one.		
Actions taken to resolve the issue		Completion date	Remedial action status
BEL has recently implemented a new database system for the processing of new connections.			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The new database system incorporates in-built controls for documentation archiving, Registry updates, error checking, and overall process control. It will allow BEL to more accurately monitor the progress of new connections and automatically notify staff to areas requiring attention. Implementation of the new database system, staff training, and verification/bedding-in of the processes is currently in progress.			

3.8. Electrical connection of ICP that is not an NSP (Clause 10.31)

Code reference

Clause 10.31

Code related audit information

A Distributor must not electrically connect an ICP that is not also an NSP unless:

- *the trader trading at the ICP has requested the electrical connection; or*
- *the MEP who has an arrangement with the trader trading at the ICP has requested temporary energisation of the ICP.*

Audit Observation

This requirement is a duplication of the requirement in section section 0 of this audit report. Please Refer to section 0 of this audit report for details.

Audit commentary

Refer to section 0 of this audit report

Audit outcome

Compliant

3.9. Electrical connection of NSP that is not a point of connection to the grid (Clause 10.30(2))

Code reference

Clause 10.30(2)

Code related audit information

A Distributor must, within 5 business days of electrically connecting an NSP that is not also a point of connection to the grid, notify the reconciliation manager of the following in the prescribed form:

- *the NSP electrically connected*
- *the date of the electrical connection*
- *the participant identifier of each MEP*
- *the certification expiry date for each metering installation.*

Audit Observation

We have examined the current NSP mapping table and determined that no connection has been made to the Distributors network during the period of audit of any new NSP that is not a connection to the grid.

Audit commentary

Compliance is confirmed.

Audit outcome

Compliant

3.10. 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 market administrator.*

Audit Observation

This is a duplication of the requirement in section 3.1 of this audit report. Please refer to section 3.1 of this audit report for the compliance outcome.

Audit commentary

Refer to section 3.1 of this audit report. Compliance is confirmed.

Audit outcome

Compliant

3.11. 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

For all ICPs in the audit data set we have examined the registry record to confirm that each ICP has a loss factor code.

The Distributor loss factors have been obtained from the registry static data, and we confirm that all loss factor codes provided for ICPs in the new connections sample are referenced in such a way that the associated loss factors are identified.

Audit commentary

Based on the audit observation described above we find the participant compliant with this clause of the Code.

Audit outcome

Compliant

3.12. 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

BUEL create new connections directly with status ready and there are no ICPs on the registry with status new.

Audit commentary

Compliance is confirmed

Audit outcome

Compliant

3.13. 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 calendar 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

We have examined the audit data set and find only 3 ICPs in the ready state, the oldest having been ready for 4 months.

Audit commentary

There are no ICPs in the new or ready state for greater than 24 months.

Compliance is confirmed.

Audit outcome

Compliant

3.14. 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

There are no generation ICPs on the BUEL network with a capacity greater than 10MW.

Audit commentary

Compliance is confirmed.

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 provide notice to the registry of that change.

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

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

If the change to the NSP identifier is for more than 14 days, the time within which notification must be effected in accordance with Clause 8(3) of Schedule 11.1 begins on the 15th day after the change.

Audit Observation

From the audit data set, registry pricing and network event creation dates are compared to event dates to assess the timely creation of records on the registry. When evaluating the timing of events we allow 4 business days because it is common for the registry to introduce an extra day due to computer process timing.

The results of examining registry events are presented in the following table.

Item	Events Identified	Events > 3 Business days
Address events		
Address change	140	8
Pricing events		
Price category code	380	0
Loss code	1	0
Chargeable capacity	11	0
Installation details	0	0
Network events		
Dedicated status	0	0
Installation type	1	1
Reconciliation type	0	0
SI List	0	0
UNM detail	0	0

Audit commentary

We have examined all relevant registry events for the period of audit and find the participant non compliant with this clause of the Code as indicated in the table above.

Address information: The majority of address changes were implemented with an event date, 8 were not which resulted in backdating.

Installation type: 1 installation type was changed from L to B 13 business days after the event. It is common that distributors know nothing about the installation of DG until well after it has been installed.

None of the events for which the provision of information was delayed are identified as having any impact other than minor.

Audit outcome

Non-compliance	Description		
Audit Ref: 4.1 With: 8 of schedule 11.1 From: 02-Dec-16 To: 03-Oct-17	<i>Participant provides changes to registry information within 3 business days of the change taking effect.</i> <i>Participant did not provide information within 3 business days as tabulated in audit report for changes of address and installation type.</i> Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls in place are satisfactory for the small volume of changes made. The small number of incidents that have occurred are trivial, and no change has had any adverse impact on the market, any participant or any consumer.		
Actions taken to resolve the issue		Completion date	Remedial action status
BEL staff who undertake Registry updates have been made aware of the requirement to update information within 3 business days.		20/10/2017	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>BEL continues to undertake all Registry updates manually via the web interface. The back dating of Address changes by more than 3 business days was a result of human error e.g. the event date should have been made the date on which the change was made (the input date), rather than leaving it as the last Address event date. The updating of the Installation Type when a distributor generator is connected has been discussed with the Auditor, and the requirements are now clearer.</p> <p>The new database system which BEL has recently implemented allows BEL to prepare and check Registry updates within the system itself. The next step in the on-going development process is to start updating the Registry automatically from the database using text file SFTP transfers to the Data Hub.</p>	On-going	
---	----------	--

Non-compliant

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

Code reference

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

Code related audit information

The Distributor must notify the registry of the NSP identifier of the NSP to which the ICP is usually connected under Clause 7(1)(b) of Schedule 11.1.

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 BUEL network has in the past been supplied from Transpower at 2 physical locations (3 GXP's). On 31/7/2016 the GXP WPT0111 was decommissioned because the major load (the cement works at Cape Foulwind) was decommissioned.

The network is now supplied by the 2 GXP's ORO1101 and ORO1102 which are at the same physical location, are parallel connected on the network side and share the same balancing area.

Process to maintain NSP for ICP:

Because the 2 GXPs at ORO are parallel connected it is not possible to determine which GXP any ICP is supplied from and all NSP for ICP records are nominated under this clause of the code. As there are 2 NSPs in the balancing area all consumption for these NSPs will be correctly allocated.

There is therefore no requirement to maintain NSP for ICP.

Registry changes:

None recorded

Registry data:

All active ICPs are allocated to either ORO1101 (2,937) or ORO1102 (1,692)

Audit commentary

Compliance is confirmed.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31(2))

Code reference

Clause 11.31(2)

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

BUEL confirm they have not had any request from any customer or their authorised agent for their ICP identifier during the period of audit.

Audit commentary

We are advised there were no such requests. With this qualification we find the participant compliant with this clause of the Code. We are confident that any consumer or their agent requesting the ICP address would be provided that information promptly.

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

1. **The presence of unique GPS coordinates:** BUEL do not generally provide GPS coordinates for their ICP address information, although we note that 46 ICPs do have these coordinates populated.
2. **Duplication of addresses:** There are no duplicated ICP addresses on the registry.
3. **Missing key information:** All ICPs have address information that would allow ready location of the ICP.
4. **DUML ICPs:** BUEL identified 1 DUML ICP on their network. The address information identifies the ICP as DUML and address unknown. The location of the database may be readily determined by asking the current trader.

Address change event timing: Is reported in section 4.1 of this audit report.

Audit commentary

Address information has been the subject of alleged non compliance in the 2 previous audits. All previous alleged non compliance is now cleared.

Audit outcome

Compliant

4.5. ICP de-energisation (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 de-energised without de-energisation of 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 difference between the total consumption for the embedded network and all other ICPs on the embedded network.

Audit Observation

Compliance with this requirement could only be confirmed by field examination of a large number of installations, and in most cases would require a power outage at the installation. This is considered beyond the scope of this audit.

Audit commentary

We have discussed this requirement with the participant and find they are aware of the requirement.

Given modern electrical practice that has been in place since the year 2002, we think it extremely unlikely any ICP would have been connected that could not be isolated without isolating any other ICP, and we consider the risk of non compliance to be extremely low.

With this qualification we find the participant compliant with this clause of the Code.

Audit outcome

Compliant

4.6. Distributors to Provide ICP Information to the Registry (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:

- *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 from metering information
- c) 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 BUEL 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 energisation date of the ICP (Clause 7(1)(p) of Schedule 11.1).

Audit observation

Item Clause 7 (1)	
(a): Location address.	Refer to section 4.4 of this report
(b): NSP usually connected	Refer to section 4.2 of this report
(c): Installation type	<p>There are 4,269 active ICPs on the network</p> <p>15 are configured as installation type B</p> <p>0 are configured as installation type G</p> <p>The remainder are configured as installation type L</p> <p>Compliance is confirmed.</p>
(d): Reconciliation type	<p>BUEL do not own any embedded networks.</p> <p>Reconciliation type is correctly set to GN for all ICPs.</p> <p>Compliance is confirmed.</p>
(e): Loss category code	<p>We have examined all records for active ICPs in the audit data set and find that all have valid loss category codes applied.</p> <p>Refer also to sections 3.11 and section 5 of this report for further examination of loss category codes and loss factors.</p> <p>Compliance is confirmed.</p>

Item Clause 7 (1)	
(f): EG > 10MW	<p>There are no generation ICPs with capacity greater than 10MW connected to the BUEL network.</p> <p>Compliance is confirmed.</p>
(g): Price category code	<p>We have examined all records in the audit data set for price category code and confirm that each ICP has a price category code.</p> <p>We have compared the price category codes in the audit data set with the participants price information records and with the registry. All codes are valid and have associated pricing information.</p> <p>BUEL do not use placeholders during the creation of new connections.</p> <p>Compliance is confirmed.</p>
(h): Chargeable capacity	<p>The Buller Electricity pricing methodology and associated pricing schedules indicates a chargeable capacity is applicable to all connections with capacity greater than 100kVA. Many of these chargeable capacity values are (under normal circumstances) calculated annually from meter information.</p> <p>At present there are 13 active ICPs with chargeable capacity values that are calculated from metering information, and all have a published chargeable capacity value on the registry. This has been raised as an alleged non compliance in previous audit reports because the wording of the code says there should be "no value" on the registry for these ICPs.</p> <p>Buller Electricity have written to the retailers trading on their network and asked them what the impact on them would be of their proposal to comply with the wording of the code and not post chargeable capacity values on the registry that can be calculated from meter data. In all cases the retailers expressed a preference that Buller Electricity continue to post this information on the registry as they always have.</p> <p>We have determined from the Authority that the purpose of the code when it was (relatively recently) changed was to exempt distributors from maintaining chargeable capacity values on the registry when the capacity value changes occur frequently (ie weekly or monthly). It was intended that distributors would continue to post chargeable capacity values on the registry where they persist for longer periods, including 12 months, even where the values are calculated from metering information.</p> <p>In summary the wording of the Code clearly does not convey the intention of the clause, and applying the Interpretation Act it is very clear that Buller are presently complying with the Code. It should also be noted that this information is not used for reconciliation or market settlement, it is provided on the Registry solely to support communication of distributor pricing to retailers.</p> <p>For these reasons the original non compliance was withdrawn and not repeated in this audit report. The Authority have noted and agreed there is an issue with the code that needs urgent attention because applying the wording alone has the potential to cause some retailers to contract to supply electricity without realising the connection has a capacity charge applied by the distributor.</p> <p>In the past some of our audit clients have chosen to comply with the wording of the code in response to our alleging non compliance based only on the wording of the code. In order to avoid the potential harm this can cause we choose not to continue alleging this as non compliance.</p> <p>Compliance is confirmed.</p>
(i): Installation details	<p>(i) the distributor installation details of 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:</p> <p>We have examined the BUEL pricing disclosure and no distributor installation details are required.</p>

Item Clause 7 (1)	
	Compliance is confirmed.
(j): First trader	Refer to section 0 for provision of first trader. This information is provided when an ICP is first energised and is not subsequently maintained.
(k): ICP status	<p>ICP status is not directly managed by Distributors. Depending on the information provided to the registry an ICP will be allocated a particular status, Distributors may effect new, ready and decommissioned status.</p> <p>Refer to the following sections of this audit report for status change analysis.</p> <p>New: Section 3.12</p> <p>Ready: Section 0</p> <p>Decommissioned: Section 4.11</p>
(l): Dedicated status	<p>(l) 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—</p> <p>(i) the ICP will be supplied only from the NSP with the NSP identifier provided under paragraph (b); or</p> <p>(ii) the ICP is a point of connection between a network and an embedded network;</p> <p>All ICPs on the BUEL network are correctly configured as Not dedicated.</p> <p>Compliance is confirmed.</p>
(m): UNM details	<p>No unmetered load has been added during the period of audit.</p> <p>Compliance is confirmed.</p>
(n): SUML list	<p>We have examined the registry and find there are no shared unmetered loads on the network.</p> <p>Compliance is confirmed.</p>
(o): DG capacity and fuel type	<p>From the audit data set we identify 15 ICPs having installation type B and none with type G.</p> <p>All ICPs with installation type B have generation capacity and fuel type correctly identified on the registry.</p> <p>Compliance is confirmed.</p> <p>All ICPs with profile PV1 or EG1 are identified by BUEL as having generation installed.</p>
(p): Date initially energised	<p>Initial energised date has been provided for all new ICPs created during the period of audit.</p> <p>For the new connections sample we confirm that in each case the initial energised date correlates with the documented electrical connection date.</p> <p>Compliance is confirmed.</p>

Audit Observation

We examined the maintenance of ICP information on the registry for the audit data set as indicated in the table above.

Audit commentary

As detailed in the above table compliance is confirmed.

Audit outcome

Compliant

4.7. Replacement of placeholder information 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 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

BUEL do not use placeholders.

Audit commentary

Compliance is confirmed.

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

BUEL have provided GPS coordinates for 46 ICPs.

Audit commentary

The GPS coordinates are provided in the required NZTM2000 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

We have discussed ready status with the participant, it is well understood. The audit data set has been examined for the correct use of ICP status, there are no ICPs in the new state. New connections are created directly into the ready state when the required information is available.

Audit commentary

Compliance is confirmed.

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

There are no distributor status ICPs on the BUEL network.

Audit commentary

Compliance is confirmed.

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

We examined the audit data set for ICPs that had been decommissioned during the period of audit.

Audit commentary

We identified and examined 5 decommissioning events recorded in the audit data set.

- 4 of these have been decommissioned on advice from the trader that the ICP has been deenergised ready for decommissioning.
- 1 was deactivated as a result of ICP amalgamation as advised by the trader.

Compliance is confirmed.

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 2 months after the date the code is entered in the table.

A price category code takes effect on the specified date.

Audit Observation

We examined the Distributors pricing methodology and related disclosures. We have examined the registry price category code table.

Audit commentary

No price category codes were changed on the registry during the period of audit.

Compliance is confirmed.

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

We have examined the loss category code table on the registry.

Audit commentary

There have not been any changes made in the period of audit, compliance is confirmed.

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 on the registry, the Distributor must enter the replaced loss factor on the table in the registry.

Audit Observation

We have examined the loss factor table on the registry and note that for 2 loss codes the loss factors were updated on 31/1/2017 to take effect on 1/4/2017.

Audit commentary

Each loss category code has a maximum of 2 loss factors per calendar month and each loss factor covers all trading periods in any month.

Compliance is confirmed.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

If the Distributor is creating or decommissioning an NSP that is an interconnection point between 2 local networks, the Distributor must notify the reconciliation manager of the creation or decommissioning.

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

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:

- *notify the reconciliation manager*
- *notify the market administrator*
- *notify each affected reconciliation participant*
- *comply with Schedule 11.2.*

Audit Observation

The NSP table was examined to determine if any NSP has been created or decommissioned during the period of audit.

Audit commentary

No NSP has been created or decommissioned during the period of audit. Compliance is confirmed.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit Observation

The NSP table was examined to determine if any NSP has been created during the period of audit.

Audit commentary

No new NSP has been created during the period of audit, compliance is confirmed.

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 notify 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 examined to determine if any participant has notified the creation of an NSP during the period of audit.

Audit commentary

No new NSP has been created during the period of audit, and no changes are required to balancing areas. Compliance is confirmed.

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 notify the reconciliation manager at least 1 calendar 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 examined for the creation of any embedded networks.

Audit commentary

No embedded networks have been created on the BUEL network during the period of audit, compliance is confirmed.

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

Audit Observation

BUEL network is supplied by 2 NSPs (GXPs) arranged in 1 balancing area.

We have examined the NSP table for any change of balancing area during the audit period and found that one NSP with its own balancing area has been decommissioned. This has no implications for the remaining balancing area.

We have examined the BUEL asset management plan and find nothing that would indicate any need for change to balancing areas now or in the immediate future.

Audit commentary

Based on the audit observation described above we find the participant compliant with this clause of the Code.

Audit outcome

Compliant

6.6. Notify 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 notify any trader trading at the ICP of the transfer at least 1 calendar month before the transfer.

Audit Observation

We have examined the NSP table for the addition of any new NSP where an ICP has become the NSP.

Audit commentary

No new NSP has been created on the BUEL network during the period of audit, there has therefore not been any ICP becoming an NSP. Compliance is confirmed.

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 notify the market administrator in the prescribed form, no later than 3 business days before the transfer takes effect.

Audit Observation

We asked BUEL to identify any ICPs that have been transferred as per clause 1 to 4 of schedule 11.2.

Audit commentary

We are advised that no ICPs have been transferred, compliance is confirmed.

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

For each NSP covered in 10.25(1) the network owner must, no later than 20 business days after a metering installation at the NSP is recertified notify 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 table was examined to determine if the participant is responsible for metering at any NSP. We have confirmed that BUEL are not responsible for metering at any NSP.

Audit commentary

Compliance is confirmed.

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:
 - a) the reconciliation participant for the NSP (Clause 10.25(2)(b)(i)); and
 - b) the MEP for the NSP (Clause 10.25(2)(b)(ii)); and
 - c) no later than 20 business days after the data of certification of each metering installation, advise the reconciliation participant for the NSP of the certification expiry date (Clause 10.25(2)(c)).

Audit Observation

The NSP table was examined to determine if the participant has proposed any new NSP that is not a connection to the grid.

Audit commentary

BUEL have not proposed the creation of any new NSP during the period of audit. Compliance is confirmed.

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 notify:

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

At least 1 calendar 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

We have asked BUEL if they have acquired any part of any network during the period of audit, BUEL advise they have not acquired any part of any network during the period of audit.

Audit commentary

Based on the audit observation described above we find the participant compliant with this clause of the Code.

Audit outcome

Compliant

6.11. Electrically connecting NSP that is not point of connection to grid (Clause 10.30(1))

Code reference

Clause 10.30(1)

Code related audit information

A Distributor must not electrically connect an NSP that is not a point of connection to the grid unless:

- a reconciliation participation has requested the electrical connection (Clause 10.30(1)(a)); or
- a metering equipment provider (authorised by the trader) has requested the electrical connection for a temporary energisation of the ICP (Clause 10.30(1)(b)).

Audit Observation

The NSP table was examined to determine if any new NSP has been connected during the period of audit.

Audit commentary

No new NSP has been connected during the period of audit, compliance is confirmed.

Audit outcome

Compliant

6.12. 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 notify the reconciliation manager and the gaining MEP.

Audit Observation

The NSP table was examined to determine if the participant is responsible for any embedded network.

Audit commentary

BUEL are not responsible for any embedded network gateway metering, compliance is confirmed.

Audit outcome

Compliant

6.13. 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 market administrator 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

BUEL advised there has not been any ICP transfer during the period of audit.

Audit commentary

Compliance is confirmed.

Audit outcome

Compliant

6.14. 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

We ask the participant if any ICP transfer has taken place.

Audit commentary

We are advised no ICP transfer has taken place, compliance is confirmed.

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 notify the registry 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 notify the registry 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

There is no SUML on the BUEL network.

Audit commentary

Compliance is confirmed.

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 notify all traders affected by that change or decommissioning as soon as practicable after the change or decommissioning.

Audit Observation

There is no SUML on the BUEL network.

Audit commentary

Compliance is confirmed.

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 Code requires that participants provide complete and accurate information as specified in the Code. The Code does not specify what constitutes complete and accurate information regarding the calculation of loss factors.

Clause 16A.23 identifies additional requirements for Distributor audits, including (c) The creation of loss factors.

Distributors are required to provide and update loss factors for loss category codes (clause 22 of schedule 11.1)

In the absence of any standard against which we may evaluate the creation of loss factors, we compare the loss factors provided by BUEL with those provided by similar Distributors and we find these consistent with the network structure.

Audit commentary

Based on the audit observation described above we find the participant compliant with this clause of the Code.

Audit outcome

Compliant

CONCLUSION

The audit has identified four matters of alleged non compliance all of which are minor and have had no adverse effect on any consumer, participant or the market.

Analysis of next audit due date.

Audit Section	Subject	Breach risk rating
3.5	Provision of initial energised date	2
3.6	Trader approval for new connection	3
3.7	Trader approval for new connection	3
4.1	Timely changes of registry information	2
Total		10

The indicative audit frequency table indicates the next audit should be in 12 months. Given the extremely minor nature of the identified alleged matters of non compliance we recommend the next audit should be in 18 months.

PARTICIPANT RESPONSE

Buller Electricity thanks Paul Troon for undertaking this audit and is pleased to see an overall improvement and a decrease in the number of non compliances identified.