

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

The Veritek logo features the word "VERITEK" in a blue, serif, all-caps font. It is positioned to the right of a thin vertical blue line. A horizontal blue line extends from the bottom of the vertical line, passing under the text "VERITEK".

VERITEK

For

CGML CAPITAL MARKETS LIMITED (CMCB)

Prepared by: Rebecca Elliot, Veritek Limited

Date audit commenced: 28 November 2017

Date audit report completed: 14 December 2017

Audit report due date: 31-Oct-17

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EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Capital Markets CGML Limited (CMCB)** 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.

CMCB's compliance is reliant on the compliance of Switch Utilities, as the contractor to CMCB. All of the findings in relation to the functions covered by Switch Utilities are covered in this audit report therefore there is no separate audit report for Switch Utilities.

These embedded networks were expected to be decommissioned in the near future and it is for that reason that this audit report has not been submitted by the due date. The late submission of the audit report is recorded as non-compliance below.

There have been three new embedded networks added during the audit period bringing the total to six networks.

This audit found five non-compliances and makes no recommendations and no issues were raised. Based on the Distributor audit frequency matrix the next recommended audit is due in 18 months and I agree with this recommendation.

The matter raised is shown in the table below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Distributors to arrange for regular audits	1.11	11.10	Audit not submitted by the due date	Strong	Low	1	Cleared
Electrical connection of NSP that is not a point of connection to the grid	3.9	10.30(2)	MEP and meter certification details provided late for three embedded networks	Moderate	Low	2	Disputed
Changes to registry information	4.1	8 Schedule 11.1	Six address updates backdated greater than three business days	Strong	Low	1	Cleared
Responsibility for metering information when creating an NSP that is not a POC to	6.9	10.25(2)	MEP and meter certification details provided late for three embedded networks	Moderate	Low	2	Disputed

Subject	Section	Clause	Non Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
the grid							
Creation of loss factors	8.1	11.2	Incorrect loss factor applied due to Distributor ICP loss factor being changed	Moderate	Low	2	Identified
Future Risk Rating						8	
Next indicative audit frequency						18 months	

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	Description	Recommendation
		Nil	

ISSUES

Subject	Section	Description	Issue
		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 CMCB has any Code exemptions in place.

Audit commentary

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

1.2. Structure of Organisation

Not applicable

1.3. Persons involved in this audit

Auditor:

Rebecca Elliot

Veritek Limited

Electricity Authority Approved Auditor

Personnel assisting in this audit were:

Name	Company
Chrissy Burrows	Momentous Consulting Limited
John Candy	JC Consulting
Richard Mackie	Switch Utilities Limited
Sean Campbell	Switch Utilities Limited

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

Switch Utilities carries out CMCB's registry activities and communications in relation to the establishment of new networks. All the activities carried out by Switch Utilities have been examined in this report, hence there is no contractor report is required.

1.5. Supplier list

Contractors are recorded in Section 1.4 above.

1.6. Hardware and Software

All activity is made directly via the registry interface and via the Reconciliation Manager interface for updates to the network supply point table.

1.7. Breaches or Breach Allegations

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

1.8. ICP and NSP Data

CMCB has responsibility for six embedded networks. There have been three embedded networks added during the audit period. This is discussed in **section 6**. The tables below show the relevant information:

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network Type	Start Date	Number of ICPs
CAM0011	151 - 159 WILLIS ST WELLINGTON	CPK0331	CKHK	CAM0011CMCBE	E	01-10-16	28
CGM0011	89-91 COURTENAY PLACE WLG	CPK0111	CKHK	CGM0011CMCBE	E	01-03-17	19
COC0011	147 TORY STREET WELLINGTON	CPK0331	CKHK	COC0011CMCBE	E	01-03-17	6
COM0011	133 TORY STREET WELLINGTON	CPK0331	CKHK	COM0011CMCBE	E	01-11-16	3
COM0012	133 TORY ST WELLINGTON	CPK0331	CKHK	COM0012CMCBE	E	01-03-17	8
WHT0011	25 VIVIAN STREET WELLINGTON	CPK0331	CKHK	WHT0011CMCBE	E	01-10-16	6

Status	Number of ICPs 2017	Number of ICPs 2016
Distributor	0	0
New	0	0
Ready	0	0
Active (2,0)	73	73
Inactive- new connection in progress (1,12)	0	0
Inactive – vacant (1,4)	0	0
Inactive- reconciled elsewhere (1,5)	0	0
Inactive – AMI remote disconnection (1,7)	0	0
Inactive – -de-energised due to meter disconnected (1,9)	0	0
Inactive – - at pole fuse(1,8)	0	0
Inactive – de-energised at meter box switch (1,10)	0	0
Inactive- at meter box switch (1,11)	0	0
Inactive – ready for decommissioning (1,6)	0	0
Decommissioned (3)	0	0

1.9. Authorisation Received

No letter of authorisation was required as CMCB provided all the information required.

1.10. Scope of Audit

This Distributor audit was performed at the request of CMCB, 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 scope of the audit is shown in the table below:

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

1.11. Distributors to arrange for regular audits (Clause 11.10)

Code reference

Clause 11.10

Code related audit information

Each distributor must arrange to be audited regularly in accordance with Part 16A in respect of the distributor's obligations under this Part.

Audit observation

The code requires that an audit is submitted to them by the due date published on the Electricity Authority's website. CMCB's audit was due to be submitted by 31/10/17

Audit commentary

Switch Utilities have been working with CMCB to decommission these networks and it was anticipated that this would have occurred very close to or soon after this audit was due. The networks are no longer being decommissioned, hence the decision to carry out the audit to satisfy the code requirements albeit late.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 1.11 With: Clause 11.10 From: 31/10/17-11/12/17	Audit not submitted by the due date Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are strong. The audit was only late due to the expectation that these networks would be decommissioned shortly after the due date. The audit risk rating is low as this has no impact on reconciliation		
Actions taken to resolve the issue		Completion date	Remedial action status
No action possible, pending decommission has been delayed so re audit became necessary			Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

1.12. Summary of previous audit

CMCB provided a copy of their previous audit conducted in November 2016 by Rebecca Elliot of Veritek Limited. This report recorded two non-compliances. The table below records their current status. No recommendations were made.

Table of Non-Compliance

Subject	Section	Clause	Non compliance	Status
Metering Information for NSP that is not a POC to the Grid	6.8	10.25(2)(b)&(c) of part 10	Late notification of gate metering information.	Cleared
Responsibility notification of NSP Information	6.2	26(2) of schedule 11.1	NSP not notified one month in advance of the NSP commencement.	Cleared

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

Switch Utilities' data management processes were examined. I also examined a registry list file to confirm compliance.

Audit commentary

Switch Utilities use the registry as their data repository and monitor registry notifications. Any corrections to data are updated as soon as possible directly into the registry. Examination of the list file confirmed compliance.

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

Switch Utilities' data management processes were examined. I also examined a registry list file to confirm compliance.

Audit commentary

Switch Utilities use the registry as their data repository and monitor registry notifications. Any corrections to data are updated as soon as possible directly into the registry. Examination of the list file confirmed compliance.

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. Examination of the registry list file found no ICPs were created during the audit period.

Audit commentary

Switch Utilities creates ICPs on behalf of Distributors as required by this clause but none have been created for this network as all the ICPs were transferred.

Audit outcome

Not applicable

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. Examination of the registry list file found no ICPs were created during the audit period.

Audit commentary

There have been no new connections created since the inception of this embedded network and this is not expected. However, should this be required it is expected that requests will be received via the Retailer. Upon receipt, Switch Utilities have an ICP creation tool that will create the ICP as required and this will then be provided back to the Retailer.

Audit outcome

Not applicable

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 Schedule 11.1.

Audit observation

The new connection process was examined. Examination of the registry list file found no ICPs were created during the audit period.

Audit commentary

Switch Utilities manage the electrical connection process for all ICPs on the embedded networks they manage. The registry is used as the data repository therefore all details will be updated as required by this clause directly into the registry prior to electricity is traded. There have been no new connections during the audit period.

Audit outcome

Not applicable

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

The new connection process was examined. Examination of the registry list file found no ICPs were created during the audit period.

Audit commentary

Switch Utilities manage the electrical connection process for all ICPs on the embedded networks they manage. The registry is used as the data repository therefore all details will be updated as required by this clause directly into the registry prior to electricity is traded. There have been no new connections during the audit period.

Audit outcome

Not applicable

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

The distributor must provide the information specified in sub-clause (1)(p) to the registry no later than 10 business days after the date on which the ICP is initially energised.

Audit observation

The new connection process was examined. Examination of the registry list file found no ICPs were created during the audit period.

Audit commentary

Switch Utilities manage the electrical connection process for all ICPs on the embedded networks they manage. The registry is used as the data repository therefore all details will be updated as required by this clause directly into the registry prior to electricity is traded. There have been no new connections during the audit period.

Audit outcome

Not applicable

3.6. Connection of ICPs (Clause 11.17)

Code reference

Clause 11.17

Code related audit information

A distributor must, when connecting an ICP that is not also an NSP, follow the electrical 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.

Audit observation

The new connection process was examined. Examination of the registry list file found no ICPs were created during the audit period.

Audit commentary

Switch Utilities manage the electrical connection process for all ICPs on the embedded networks they manage. The registry is used as the data repository, therefore all details will be updated as required by this clause directly into the registry prior to electricity is traded. There have been no new connections during the audit period.

Audit outcome

Not applicable

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 electrical connection); or*
- *reconciliation participant responsible for ensuring there is a metering installation.*

Audit observation

The new connection process was examined. Examination of the registry list file found no ICPs were created during the audit period.

Audit commentary

Switch Utilities manage the electrical connection process for all ICPs on the embedded networks they manage. The registry is used as the data repository, therefore all details will be updated as required by this clause directly into the registry prior to electricity being traded, and therefore the Retailer will have given their permission prior to electrical connection. There have been no new connections during the audit period.

Audit outcome

Not applicable

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 connect an ICP that is not also an NSP unless:

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

Audit observation

The new connection process was examined. Examination of the registry list file found no ICPs were created during the audit period.

Audit commentary

Switch Utilities manage the electrical connection process for all ICPs on the embedded networks they manage. The registry is used as the data repository, therefore all details will be updated as required by this clause directly into the registry prior to electricity is traded, and therefore the Retailer will have given their permission prior to electrical connection. There have been no new connections during the audit period.

Audit outcome

Not applicable

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 five 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

The NSP table on the registry was examined. Three new NSPs have been electrically connected during the audit period. Notifications to the reconciliation manager for each new connection identified were reviewed.

Audit commentary

These networks commenced on 1/3/17. The relevant information was not provided to the Reconciliation Manager until May 11th. These networks had multiple delayed start dates and this caused the notification to be missed.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.9 With: Clause 10.30(2) From: 1/03/17-11/5/17	MEP and meter certification details provided late for three embedded networks. Potential impact: None Actual impact: None Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as there are robust processes in place to manage gate metering details, but the multiple delays caused this to be notified late. The audit risk rating is low as this has no impact on reconciliation		
Actions taken to resolve the issue		Completion date	Remedial action status
We believe Info was supplied on time to the RM, but updates were not actioned by them in a timely manner, due to confusion over the start dates of these en's		Date	Disputed
			No evidence could be provided of the earlier notification to the RM hence the non-compliance
Preventative actions taken to ensure no further issues will occur		Completion date	
There is an established process in place		Date	

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:

xxxxxxxxxxccc where:

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

Audit observation

The new connection process was examined. Examination of the registry list file found no ICPs were created during the audit period.

Audit commentary

The new connection process was examined. Examination of the registry list file found no ICPs were created during the audit period.

Audit outcome

Not applicable

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

This process was examined and the list file was examined to confirm all active ICPs have a single loss category code.

Audit commentary

Switch Utilities determines the loss category codes. The list file confirmed that each active ICP only has a single loss category, which clearly identifies the relevant loss factor.

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

The ICP creation process and the list file were examined.

Audit commentary

The management of statuses is well understood. If any ICPs are created at “New” these will be updated to “Ready” once the retailer details have been determined. The only other instance where ICPs will be created at “New”, is that of a new NSP going live on the same day as the ICPs. The new NSP cannot be allocated to ICPs until the following day. In these instances, Switch Utilities will create ICPs at “New” and then move them to “Ready” adding the NSP once available. This has not occurred during the audit period.

There have been no new ICPs created during the audit period and no ICPs were found at the “New” status.

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

This process was examined and the list file was examined.

Audit commentary

Switch Utilities will monitor any ICPs that are at the “New” or “Ready” status via a report. There were no ICPs at the “New” or “Ready” statuses found in the list file.

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:*
 - *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 was examined. There is no embedded generation on the CMCB network that has a generation capacity greater than 10MW.

Audit outcome

Not applicable

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

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

If the change to the NSP identifier is for more than 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

The process to manage registry changes was examined and the event detail report for November 2016 to October 2017 to identify late changes to registry information during the audit period.

Audit commentary

Switch Utilities have a good understanding of the requirement to update the registry within three business days of an event. This is done directly into the registry using the registry interface. There is reporting in place to monitor this activity. This includes checks for any changes made by Retailers or MEPS. The event detail report was analysed and found 36 network changes and six address changes. All were made within three business days with the exception of four address changes. This has no material impact and is likely to have occurred as when making changes in the registry if the event date isn't populated it will default to the last event date.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 1/10/16- 21/7/17	Four address updates backdated greater than three business days Potential impact: None Actual impact: None Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong as there are robust processes in place to manage registry changes The audit risk rating is low as this has no impact on reconciliation		
Actions taken to resolve the issue		Completion date	Remedial action status
Addresses were corrected to remove compliance issues with duplicate addresses that we inherited from the previous network owner, they were backdated to the beginning of SULN's tenure to prevent confusion			Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We believe this action was appropriate in this case but will aim to detect and correct this sort of instance earlier if we add any new POCs to this EN			

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

I checked the event detail report for NSP changes and the list file for NSP accuracy compared to address data.

Audit commentary

Due to the nature of embedded networks there is no uncertainty regarding the ICP and NSP relationships. A check of the list file confirmed compliance.

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

Switch Utilities may receive direct requests for ICP identifiers for CMCB on behalf of customers. There is a general queries service in place to manage this.

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 list file was analysed to confirm compliance.

Audit commentary

A check of CMCB's list file found that all ICPs have unique addresses with sufficient information to allow the ICPs to be readily located.

Audit outcome

Compliant

4.5. ICP de-electrical connection (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-electrical connection 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

The management of this process was examined.

Audit commentary

CMCB confirm that all ICPs comply with this clause. They have a good understanding of this requirement and as these networks were created post this requirement, this scenario is unlikely to arise.

Audit outcome

Compliant

4.6. Distributors to Provide ICP Information to the Registry (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 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*
 - c) *the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

Audit observation

The management of this process was examined.

The list file was examined to check for the population of all required information and its alignment with the trader where appropriate e.g. distributed generation, unmetered load if known and shared unmetered load.

Audit commentary

Switch Utilities uses the registry interface to update the registry directly. Examination of the list file confirmed that ICP information had been populated correctly. There is no unmetered load or embedded generation present.

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 10 business days after the trading of electricity at the ICP commences:

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

Audit observation

The management of this process was examined and the event detail report for the period November 2016 – October 2017 was examined to determine compliance with this clause.

Audit commentary

Switch Utilities have a good understanding of this requirement. No new connections have occurred on this network during the audit period.

Audit outcome

Compliant

4.8. GPS coordinates (Clause 7(8) and (9) Schedule 11.1)

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

If a distributor populates the GPS coordinates (optional), it must meet the NZTM2000 standard in a format specified by the Authority.

Audit observation

CMCB do not populate GPS co-ordinates on the registry; compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The management of this process is detailed in **section 3**. The list file and event detail report for November 2016 to October 2017 were examined in relation to the use of the ready status.

Audit commentary

ICP requests are expected to be made to Switch Utilities by retailers. These are expected to be created at “Ready” with a nominated retailer and single price code category code as required by this clause. As

discussed in **section 3**, no ICP requests have been received during the audit period and examination of the list file found no ICPs at “ready”.

Audit outcome

Not applicable

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

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

Audit commentary

Not applicable

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 management of this process was examined and the list file and event detail report for November 2016 – October 2017 were examined in relation to the use of the decommissioned status.

Audit commentary

Switch Utilities manage this via their monitoring report that checks for any changes made by Retailers. Upon receipt of all requests for decommissioning a physical site visit will be carried to confirm the physical disconnection has taken place. No decommissions have taken place during the audit period.

Audit outcome

Not applicable

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

CMCB has not created any new price category codes during the audit period; compliance was not assessed.

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

CMCB has not created any new loss category codes during the audit period; compliance was not assessed.

Audit outcome

Not applicable

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

If the distributor wishes to replace an existing loss factor on the table on 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

CMCB has not updated or replaced any loss factor codes during the audit period. There was only one loss factor per category code per month.

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 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 two 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 on the registry was examined and found three new networks were created during the audit period. Notifications to the reconciliation manager were reviewed.

Audit commentary

Switch Utilities supplied the correct information to the reconciliation manager as required by this clause for all three networks.

No NSPs were decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between two 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 on the registry was examined. Notifications to the reconciliation manager for each new NSP identified were reviewed.

Audit commentary

The three NSPs of CGM0011, COC0011 and COM012 commenced on 1/3/17. The correct information was provided within the required timeframe in accordance with this clause

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 on the registry was examined. Notifications to the reconciliation manager for each new NSP identified were reviewed.

Audit commentary

The correct balancing area information was provided in accordance with this clause for the three new NSPs.

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 one 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 on the registry was examined. Notifications to the reconciliation manager for each new NSP identified were reviewed.

Audit commentary

The correct information was supplied the correct information to the reconciliation manager as required by this clause.

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 three business days after the change takes effect.

Audit observation

The NSP table on the registry was examined. No balancing areas were changed during the audit period; compliance was not assessed.

Audit commentary

The NSP table on the registry was examined. No balancing areas were changed during the audit period; compliance was not assessed.

Audit outcome

Not applicable

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 notify any trader trading at the ICP of the transfer at least one calendar month before the transfer.

Audit observation

The NSP table on the registry was examined. No ICPs became NSPs during the audit period; compliance was not assessed.

Audit commentary

Not applicable.

Audit outcome

Not applicable

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

If the distributor wishes to transfer an ICP, the distributor must notify the market administrator in the prescribed form, no later than three business days before the transfer takes effect.

Audit observation

The NSP supply point table was examined and all notifications were reviewed.

Audit commentary

The correct information was provided within the required timeframe for all three new embedded networks.

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 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 supply point table was examined to confirm compliance.

Audit commentary

The NSP supply point table as at November 2017 was reviewed. All NSP metering installations have current certification. It doesn't appear that any installations were recertified during the audit period.

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 on the registry was examined. Three NSPs were created during the audit period, the notifications were examined.

Audit commentary

The MEP and meter certification details were not populated to the NSP supply point table until 11 May 2017. These networks start dates were delayed multiple times and this caused the notification to be missed. It appears that these details were not provided to the Reconciliation Manager until May 10th, 2017.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.9 With: Clause 10.25(2) From: 1/03/17- 11/5/17	MEP and meter certification details provided late for three embedded networks. Potential impact: None Actual impact: None Audit history: None Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
Low	Controls are rated as moderate as there are robust processes in place to manage gate metering details but the multiple delays caused this to be notified late . The audit risk rating is low as this has no impact on reconciliation

Actions taken to resolve the issue	Completion date	Remedial action status
Duplicate instance (ref 3.9 above)		Disputed
		No evidence could be provided of the earlier notification to the RM hence the non-compliance
Preventative actions taken to ensure no further issues will occur	Completion date	

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 one 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

CMCB has not acquired any networks; compliance was not assessed.

Audit commentary

CMCB has not acquired any networks; compliance was not assessed.

Audit outcome

Not applicable

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 participant 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 electrical connection of the ICP (Clause 10.30(1)(b)).*

Audit observation

The NSP table on the registry was examined. Three NSPs were created during the audit period. CMCB is the reconciliation participant for these connections therefore permission is not required and the MEP would only act if requested by CMCB as the reconciliation participant requested this.

Audit commentary

Not applicable

Audit outcome

Not applicable

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

Switch Utilities process was examined and the NSP table was checked.

Audit commentary

Switch Utilities have a good understanding of this requirement. There have been no changes of MEP during the audit period.

Audit outcome

Not applicable

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

CMCB has created three new NSPs during the audit period and all required ICPs to be transferred from the parent network. The confirmation of consents from traders being gained was reviewed.

Audit commentary

CMCB confirmed that all consents had been gained from the affected traders as required by this clause.

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

CMCB has created three new NSPs during the audit period and all required ICPs to be transferred from the parent network.

Audit commentary

The transfers related to all of the ICPs for all three new networks.

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

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

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

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

Audit commentary

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

Audit outcome

Not applicable

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

The “Guidelines on the calculation and the use of loss factors for reconciliation purposes v2.1” is still under review by the Loss Factor Review Panel. The calculation of loss factors was reviewed.

Audit commentary

Switch Utilities derives loss factors for loss category codes from the published parent network loss factors for similar installations. It is expected that ICPs on embedded networks will have the same loss factor as a similar type of connection on the parent network. The loss factors were checked and confirmed correct for all the networks with the exception of network CAM0011. The Distributor ICP has changed the loss factor in July 2017 but no notification is issued when such a change occurs therefore this change was not picked up by CMCB resulting in the loss factor for the ICPs on CAM0011 being too high.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 8.1 With: 11.2 From: 24-Jul-17 To: 07-Dec-17	Incorrect loss factor applied due to Distributor ICP loss factor being changed. Potential impact: Medium Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as moderate as the calculation process checks are robust but the monitoring of changes to the Distributor ICP need review. The incorrect loss factor affects 28 ICPS therefore the impact on reconciliation is low.		
Actions taken to resolve the issue		Completion date	Remedial action status

Switch contacted Wellington Electricity to determine why the loss factor was changed and to verify the new code was correct. It was changed to the wrong code and we have had this corrected	13/12/2017	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
As the registry doesn't send notifications on distributor only ICP's, we have implemented an automated weekly report to detect pricing & NSP changes	13/12/2017	

CONCLUSION

CMCB's compliance is reliant on the compliance of Switch Utilities, as the contractor to CMCB. All of the findings in relation to the functions covered by Switch Utilities are covered in this audit report therefore there is no separate audit report for Switch Utilities.

These embedded networks were expected to be decommissioned in the near future and it is for that reason that this audit report has not been submitted by the due date. The late submission of the audit report is recorded as non-compliance below.

There have been three new embedded networks added during the audit period bringing the total to six networks.

This audit found five non-compliances and makes no recommendations and no issues were raised. Based on the Distributor audit frequency matrix the next recommended audit is due in 18 months and I agree with this recommendation.

PARTICIPANT RESPONSE

Switch Utilities have reviewed this report on behalf of CMCB and their comments are recorded in the report. No further comments were provided.