

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**



For

CENTRALINES NETWORK LIMITED

Prepared by: Rebecca Elliot, Veritek Limited

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Date audit report completed: 2 March 2018

Audit report due date: 04-Mar-18

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EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Centralines**, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11. Unison performs all of the functions covered by this audit's scope on behalf of Centralines. Therefore, the audit was carried out at the Unison's premises in Hastings, on January 30th and 31st, 2018.

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

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

The audit found three non-compliances and makes two recommendations. The non-compliances found are minor and affect a small number of ICPs. The processes in place ensure that there is good visibility and close management of activities on this network. Both recommendations made are in relation to not recording unmetered load details on the registry. Unison, on behalf of Centralines, are already working to remedy this.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of five, which results in an indicative audit frequency of 24 months. I have considered this result in conjunction with Unison's responses on behalf of Centralines and I agree with this recommendation.

The matters raised are shown in the tables below.

AUDIT SUMMARY

NON-COMPLIANCES

| Subject | Section | Clause | Non Compliance | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|--|---------|-----------------------------|--|----------|-------------------|--------------------|-----------------|
| Provision of ICP Information to the registry manager | 3.3 | 11.7 | 5 new ICPs electrically connected during the audit period with unmetered load details not recorded in accordance with schedule 11.1. | Moderate | Low | 2 | Identified |
| Changes to registry information | 4.1 | 8 Schedule 11.1 | Some price, network, status, and address changes were backdated more than three business days. | Strong | Low | 1 | Identified |
| Provide ICP information to the registry | 4.6 | 7(1)(m) & (p) Schedule 11.1 | Known unmetered load not recorded and one incorrect initial electrical connection date. | Moderate | Low | 2 | Identified |
| Future Risk Rating | | | | | | 5 | |

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

RECOMMENDATIONS

| Subject | Section | Recommendation | Description |
|--|---------|---|-------------|
| Provision of ICP Information to the registry manager | 3.3 | Use EA recommended unmetered load to capture unmetered load details for all new ICPs with unmetered load. | Identified |
| Format of unmetered load information | 4.6 | Consider adopting the Authority's prescribed format for unmetered load details. | Identified |

ISSUES

| Subject | Section | Issue | Description |
|---------|---------|-------|-------------|
| | | Nil | |

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

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

Audit commentary

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

1.2. Structure of Organisation

Centralines provided their current organisational chart.

1.3. Persons involved in this audit

Auditor:

Rebecca Elliot

Veritek Limited

Electricity Authority Approved Auditor

Personnel assisting in this audit were:

| Name | Title | Organisation |
|-----------------|-----------------------------------|--------------|
| Jason Larkin | Commercial Manager | Unison |
| Roanna Vining | Senior Regulatory Affairs Analyst | Unison |
| Raewyn Holloway | Customer Billing Specialist | Unison |

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

Unison Networks manage the code related processes on Centralines' behalf.

1.5. Supplier list

Unison Networks manage code related processes on Centralines' behalf.

1.6. Hardware and Software

Gentrack is used to create ICPs and interface with the registry. Centralines' GIS is Small World.

Back-ups are carried out to industry standards.

1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there have been no alleged breaches for Centralines between January -December 2017.

1.8. ICP and NSP Data

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

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

| Distributor | NSP POC | Description | Parent POC | Parent Network | Balancing Area | Network type | Start date | No of ICPs |
|-------------|---------|-------------|------------|----------------|----------------|--------------|------------|------------|
| CHBP | WPW0331 | WAIPAWA | | | CENTRHBCHBPG | G | 1/10/2016 | 8216 |

| Status | Number of ICPs (31 October 2017) |
|--|----------------------------------|
| New (999,0) | - |
| Ready (0,0) | 8 |
| Active (2,0) | 8216 |
| Distributor (888,0) | - |
| Inactive – new connection in progress (1,12) | 8 |
| Inactive – electrically disconnected vacant property (1,4) | 323 |
| Inactive – electrically disconnected remotely by AMI meter (1,7) | 7 |
| Inactive – electrically disconnected at pole fuse (1,8) | 1 |
| Inactive – electrically disconnected due to meter disconnected (1,9) | 1 |
| Inactive – electrically disconnected at meter box fuse (1,10) | - |
| Inactive – electrically disconnected at meter box switch (1,11) | - |
| Inactive – electrically disconnected ready for decommissioning (1,6) | 2 |
| Inactive – reconciled elsewhere (1,5) | - |
| Decommissioned (3) | 820 |

1.9. Authorisation Received

An authorisation email was provided.

1.10. Scope of Audit

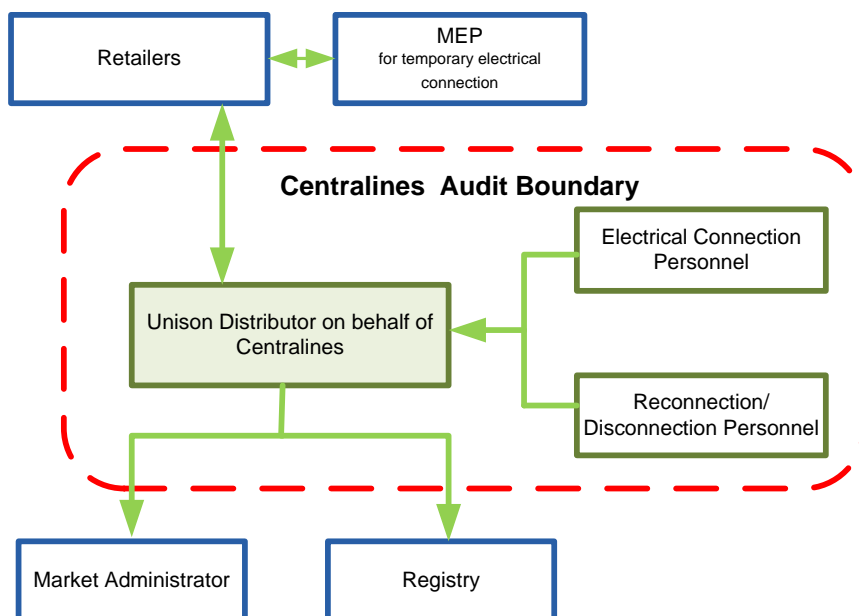
This Distributor audit was performed at the request of Centralines, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

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

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

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

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



1.11. Summary of previous audit

Centralines provided a copy of their previous audit, conducted in January 2017 by Paul Troon. The audit found one non-compliance and made no recommendations. The matters raised are detailed in the table below:

Table of non compliance

| Subject | Section | Clause | Non-compliance | Status |
|---------------------------------|---------|------------------------|---|--|
| Changes to registry information | 3.1 | 8 (1) of schedule 11.1 | Failure to update registry with changed ICP information within 3 business days of the change taking effect. | Still existing. Refer to section 4.1 . |

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

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

The registry list file as at 30/11/2017 was examined to confirm compliance.

Audit commentary

Unison run registry discrepancy reporting on a monthly basis. They also monitor and manage the notification files coming back from the registry on a daily basis. Information mismatches are managed well through these BAU processes in place. Pending work is managed in work queues so there is high visibility and any outstanding work is followed up promptly.

Audit outcome

Compliant

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

Centralines' data management processes were examined. The registry list file as at 30/11/2017 was examined to confirm compliance.

Audit commentary

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

Audit outcome

Compliant

3. CREATION OF ICPS

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

The new connection process was examined in detail and is described in **section 3.2**. A diverse characteristics sample of 10 new connection applications of the 88 created since November 2016 were checked from the point of application through to when the ICP was created. The sample included ICPs with unmetered load and distributed generation.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The new connection process was examined in detail. A diverse characteristics sample of 10 new connection applications of the 88 created since November 2016 were checked to determine whether the ICP had been created within three business days of a request by a trader.

Audit commentary

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

Centralines generate an ICP based on the request of a party that is not a participant such as the customer or the customer's agent. Upon receipt of the application the ICP is created and then sent onto their nominated trader to accept before it is then sent to the registry, therefore compliance with this requirement will always be met.

Centralines manage new connections using the Gentrack new connections module, which records scanned copies of the associated paperwork. The ICP's are not created until all the relevant details have been provided. New ICPs are electrically connected by a Centralines approved connection agent engaged by the trader. Centralines issue an authority to electrically connect the ICP to the Centralines network to the agent, and a "certificate of liveness" is returned to Centralines by the liveness agent.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

A diverse characteristics sample of 10 new connection applications of the 88 created since November 2016 were checked from the point of application through to when the ICP was created, to confirm the process and controls worked in practice.

Audit commentary

Review of the sample of new connections confirmed that the ICP information provided to the registry by Centralines was correct, with the exception of five ICPs with unmetered load that were electrically connected during the audit period and had no unmetered load recorded by Centralines. These details are not captured as part of the ICP application process and I recommend that the application form be updated to capture these details using the Electricity Authority's recommended format detailed in section 4.6.

| Recommendation | Description | Audited party comment | Remedial action |
|---------------------------|---|--|-----------------|
| Regarding: Clause 11.7 | Use EA recommended unmetered load to capture unmetered load details for all new ICPs with unmetered load. | Centralines notes the Auditor's recommendation and will use the EA's recommended UML format. | Identified |

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|--|-------------------------------------|------------------------|
| <p>Audit Ref: 3.3</p> <p>With: 11.7</p> <p>From: 15-May-17</p> <p>To: 30-Nov-17</p> | <p>5 new ICPs electrically connected during the audit period with unmetered load details not recorded in accordance with schedule 11.1.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p> | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | <p>The controls are rated as moderate as all other details were correctly recorded</p> <p>The audit risk rating is low as only five ICPs were affected during the audit period.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Unison, on behalf of Centralines has updated the Registry to show the UML details relating to the five ICPs electrically connected during the audit period. | | Completed | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| <p>Unison provides management support services for Centralines, including the provision of ICP information to the registry. Updating the UML details was something that had been overlooked during the New Connections Process. As part of Unison's Continual Improvement Process, the following action has been taken:</p> <ol style="list-style-type: none"> 1. Instructions have been drafted by the new connections team setting out the correct format for loading UML details into the Registry. 2. Unison is considering amending the new connections wizard to allow population of UML, when selected. This would reduce the potential for these fields to be missed. | | <p>Completed</p> <p>End of 2018</p> | |

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

An event detail report was examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

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

88 new ICPs were created since November 2016. Of those, 85 have been completed and connected. I reviewed these completed new connections and found they were updated to ready, and had a trader and pricing recorded, prior to electricity being traded.

Audit outcome

Compliant

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

Code reference

Clause 7(2A) of Schedule 11.1

Code related audit information

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

Audit observation

The event detail report and the registry list were examined to determine the timeliness and accuracy of initial electrically connected dates for the 85 completed new connections.

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

Audit commentary

For all completed new connections, the initial electrical connection date was updated within ten working days.

Audit outcome

Compliant

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

Code reference

Clause 11.17

Code related audit information

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

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

In respect of ICPs across which unmetered load is shared, the distributor must not connect an ICP unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load.

Audit observation

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

Audit commentary

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

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

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

Audit outcome

Compliant

3.7. Connection of ICP that is not an NSP (Clause 10.31)

Code reference

Clause 10.31

Code related audit information

A distributor must not connect an ICP that is not an NSP unless requested to do so by the trader trading at the ICP.

Audit observation

The new connection process was examined in **section 3.2**. A diverse characteristics sample of 10 new connection applications of the 88 created since November 2016 were checked to determine if the ICPs were connected at the request of the trader.

Audit commentary

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

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

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

3.9. Connection of NSP that is not point of connection to grid (Clause 10.30)

Code reference

Clause 10.30

Code related audit information

A distributor must not connect an NSP on its network that is not a point of connection to the grid unless requested to do so by the reconciliation participant responsible for ensuring there is a metering installation for the point of connection.

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 10.30(A)

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Not applicable

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

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 Authority.*

Audit observation

The process for the creation of ICPs was examined.

Audit commentary

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

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

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

Audit observation

The list file was examined to confirm all active ICPs have a single loss category code.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

The ICP creation process was reviewed. The event detail file and registry list were examined to determine compliance.

Audit commentary

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

No ICPs currently have the “New” status recorded. Monitoring of ICPs with new and ready status is discussed in **section 3.14**.

Audit outcome

Compliant

3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1)

Code reference

Clause 15 Schedule 11.1

Code related audit information

If an ICP has had the status of “New” or has had the status of “Ready” for 24 months or more:

- *the distributor must ask the trader who intends to trade at the ICP whether the ICP should continue to have that status (Clause 15(2)(a) of Schedule 11.1)*
- *the distributor must decommission the ICP if the trader advises that the ICP should not continue to have that status (Clause 15(2)(b) of Schedule 11.1).*

Audit observation

The process to monitor ICPs at new and ready status was reviewed. The registry list was examined to determine compliance.

Audit commentary

ICPs at the “New” or “Ready” statuses are monitored on a regular basis via a work queue in Gentrack. There were two ICPs with the “Ready” status, and neither has been at this status for greater than 24 months.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

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

Audit observation

The list file as at 30/11/2017 was examined.

Audit commentary

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

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 give written notice to the registry manager of that change.

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

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

If the change to the NSP identifier is for more than 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 management of registry updates was reviewed.

The event detail file from November 2016 to November 2017 was reviewed to determine compliance. An extreme case sample of 10 backdated events (or less if there were no more than ten) by type were reviewed to determine the reasons for the late updates, including all late address and status events, and the ten latest network and pricing events.

Audit commentary

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

Address events

542 address updates were identified. All but one ICP (0.18% of all address updates) were updated within three business days after the event. Changes to address made in Gentrack cannot be backdated as they always take effect from the day they are made. In relation to ICP 1719003000CH3A0's late address update, the file was created on 5/9/17 in Gentrack and sent but did not get to the registry until 22/9/17 and no rejection notification was sent from the registry. No other examples were found of this occurring.

Network events

103 network events not relating to population of initial electrically connected dates for new connections completed during the audit period were identified. The timeliness of the initial electrical connection updates is discussed in **section 3.5**.

Four of these (3.8%) were updated more than three business days after the event. One was updated more than 30 business days after the event. All four were reviewed, and found that:

- ICPs 0000033608CHD5B and 0000033618CH7F6 were backdated to correct the initial electrical connection date
- ICPs 0000033148CH0FC and 0000033144CH3E2 were due to the file updates to the registry failing and these were identified through the registry discrepancy reporting as part of BAU.

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

Pricing events

625 pricing updates were identified. 342 of these (54.72%) were updated more than three business days after the event. Two were updated more than 30 business days after the event. The ten latest updates were reviewed and found:

- seven were backdated to the beginning of the month as requested by traders
- three were corrections to pricing due to the incorrect information being provided in the first instance e.g. original application requested a permanent connection but it should have been a builder's temporary supply.

Unison, on behalf of Centralines, proposed a code change to allow backdated pricing events in 2017 but this has not been included in the latest code review out for consultation, therefore late pricing events remain non-compliant for this audit.

Status events

Centralines expect all traders to send a request for an ICP to be decommissioned. Once received the decommissioning is carried out by one person at Centralines. Once the decommission is completed in the field and the notification is passed promptly to the Trader at the same time as it is sent to Unison to update the registry on behalf of Centralines. 12 status updates to decommissioned were identified. 11 of these (91.67%) were updated more than three business days after the event. Four were updated more than 30 business days after the event. All of the late updates were reviewed and found that the traders were slow to update the ICP to the "Inactive - ready to decommission" status, thereby causing Centralines to be late in their updating of the registry.

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

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|---|-----------------|------------------------|
| <p>Audit Ref: 4.1</p> <p>With: Clause 8 Schedule 11.1</p> <p>From: entire audit period</p> | <p>Some price, network, status, and address changes were backdated more than three business days.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p> | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | <p>Controls are rated as strong as there are robust checks in place to ensure that the registry is updated as soon as possible where possible.</p> <p>The risk rating is low, because most of the delayed updates were processed within 30 days. Based on the sample checked, the later updates appear to be mostly data corrections.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| <p>Centralines acknowledges the non-compliances identified here. Regarding the address event, we cannot find any reason as to why there was a delay in the registry being updated. For the two ICPs with backdated network event dates, the paperwork for two ICPs had been incorrect. Accuracy was chosen over timeliness to update the Registry with the correct information.</p> | | N/A | Identified |

| Preventative actions taken to ensure no further issues will occur | Completion date | |
|--|---|--|
| <p>Unison provides management services to Centralines, including the updating of ICP information in the registry. Unison will implement the following action to address the non-compliances identified here:</p> <p>Network Events:</p> <p>A connectivity bug in the Gentrack software has been identified which means some information is not being uploaded to the Registry. This is currently being reviewed by Gentrack. They have advised that the problem appears to be a base fix affecting all installations (not just Unison's) and are looking into implementing a fix to cover all versions of the software.</p> <p>Pricing Events:</p> <p>As noted by the Auditor, Unison (on behalf of Centralines) has proposed a code change to allow backdating of pricing events, providing there is agreement between the distributor and retailer. This change was not included in the EA's latest code review, but we have been advised by the EA that it will be consulted on as part of another review sometime in 2018.</p> <p>Status Events</p> <p>Centralines notes that the all of the late status updates to ICPs being decommissioned were due to traders being slow to update the ICP to the "Inactive – ready to decommission" status. However, Unison (on behalf of Centralines) has initiated the following actions:</p> <ul style="list-style-type: none"> - Unison has implemented a review of monthly ICP status reports, including ICPs that are 'inactive – ready for decommissioning' and 'decommissioned'. These will be reviewed to actively reduce the timeliness of event changes. - Unison has already commenced a thorough review of its decommissioning process to provide assurance for the safe permanent disconnection of points of supply, and to actively manage and reduce the number of 'ready for decommissioning' ICPs on the network. The review will clearly articulate responsibilities and expectations around timeframes, communications to/from traders, and ensure that business processes support this. | <p>TBA – with Gentrack</p> <p>End of 2018</p> <p>Implemented</p> <p>June 2018</p> | |

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

Code reference

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

Code related audit information

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

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

Audit observation

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

Audit commentary

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

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

The management of customer queries was examined.

Audit commentary

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

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to determine correct and unique addresses was examined. The registry list was reviewed to determine compliance for all active and inactive ICPs.

Audit commentary

593 active ICPs do not have a property name, physical address unit, or physical address number recorded. However, GPS coordinates recorded for these ICPs allow the addresses to be readily located.

All but five active ICPs have GPS co-ordinates recorded. The five ICPs without GPS coordinates listed were checked. Three had sufficient address information to identify their location, and the other two were DUMI ICPs and the address details were sufficient for these.

Audit outcome

Compliant

4.5. Electrically disconnecting an ICP (Clause 3 Schedule 11.1)

Code reference

Clause 3 Schedule 11.1

Code related audit information

Each ICP created after 7 October 2002 must be able to be electrically disconnected without electrically disconnecting another ICP, except for ICPs that are the point of connection between a network and an embedded network, or ICPs that represent the consumption calculated by the difference between the total consumption for the embedded network and all other ICPs on the embedded network.

Audit observation

The management of this process was discussed.

Audit commentary

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

Audit outcome

Compliant

4.6. Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1)

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

For each ICP on the distributor's network, the distributor must provide the following information to the registry manager:

- the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)
- the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)
- the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)
- the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)
- the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)
- if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):
 - a) the unique loss category code assigned to the ICP
 - b) the ICP identifier of the ICP
 - c) the NSP identifier of the NSP to which the ICP is connected
 - d) the plant name of the embedded generating station
- the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)
- if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):
 - a) a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity
 - b) a blank chargeable capacity if the capacity value can be determined 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
- the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).

Audit observation

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

A typical sample of data discrepancies were checked.

Audit commentary

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

Price and loss categories

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

Generation

Centralines require an application from any customers wanting to connect distributed generation. The applications are loaded into Gentrack and this creates a queue item that an application has been received and is pending. All pending applications are managed on an aging basis to ensure these are being updated as soon as possible. The electrical connection of this is usually advised by the Centralines person and the details are then updated to Gentrack which updates to the registry. A monthly check is run of all ICPs that have a distributed generation profile where Centralines has no distributed generation recorded. Additional to this the EIEP files are monitored to identify any ICPs where generation is recorded but where Centralines has no distributed generation recorded. All such instances are investigated.

Analysis of the registry list confirmed there are 76 ICPs with generation capacity recorded. All ICPs with generation capacity have a fuel type recorded on the registry and a correct installation type of "B".

All ICPs with injection/export metering installed or a profile indicating distributed generation had the distributed generation correctly recorded by Centralines.

Unmetered load

As noted in **section 3.3**, unmetered load details have not been captured as part of the new connection process for some time. This is recorded as non-compliance below. Review of the registry list identified 153 active ICPs with unmetered load recorded by the trader and no unmetered load recorded by Centralines. Three of these are distributed unmetered load which the distributor is not required to populate. Some of these are historic and won't be "known".

The unmetered load information has been populated by Centralines for two ICPs. The format of unmetered load information was not in the recommended format detailed in the "Unmetered Load Management" version 2.1 published by the Authority. The recommended format is shown below:

| Information | Format |
|-----------------------|--|
| Connected load | Watts, 4 digits, zero decimal places. Eg 1565 |
| Semi colon separator | ; |
| Running hours per day | Hours to 2 digits, and decimal hours to 1 decimal place Eg 02.5 (ie two and one half hours) |
| Semi colon separator | ; |
| Other text | Free form as required |

E.g. 1565;11.5 streetlight

| Recommendation | Description | Audited party comment | Remedial action |
|--|---|---|-----------------|
| Clause 7(1) Schedule 11.1 Format of unmetered load information | Consider adopting the Authority's prescribed format for unmetered load details. | Centralines notes the Auditor's recommendation and will use the EA's recommended UML format. Staff involved have been made aware of this. | Identified |

Initial electrically connected dates

The event detail report and the registry list were examined to determine the accuracy of initial electrically connected dates.

85 new connections were completed and made active during the period reviewed. All of these had an initial electrically connected date populated.

- 82 (96.4%) match the retailer's earliest active date, three do not match.
- 81 (95.3%) match the meter certification date or are unmetered, four do not match.

All mismatches were checked, to determine whether Centralines' records were correct. All were correct with the exception of ICP 0000033661CHCFA where the meter certification date of 19/5/17 was entered in error as the ICP was electrically connected on 18/5/17.

0000033693CHC68 was found to have an initial electrically connected date populated, but the ICP was still recorded with "Inactive - new connection in progress" status by the trader. This has since been updated to active by the trader for the same event date.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|--|--|-------------------------------------|------------------------|
| <p>Audit Ref: 4.6</p> <p>With: Clause 7(1)(m) & (p) Schedule 11.1</p> <p>From: entire audit period</p> | <p>Known unmetered load not recorded and one incorrect initial electrical connection date.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p> | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | <p>The controls are rated as moderate as Centralines mitigate risk most of the time but there is room for errors to occur, specifically in relation to the recording of unmetered load.</p> <p>The audit risk rating is recorded as low as the overall number of variances is low.</p> | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Unison, on behalf of Centralines has updated the Registry to with the correct UML details and electrical connection dates relating to the ICPs identified during the audit period. | | Completed | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| <p>As noted in response to section 3.3, Unison provides management support services for Centralines, including the provision of ICP information to the registry. Updating the UML details was something that had been overlooked during the New Connections Process. As part of Unison's Continual Improvement Process, the following action has been taken:</p> <ol style="list-style-type: none"> 1. Instructions have been drafted by the new connections team setting out the correct format for loading UML details into the Registry. 2. Unison is considering amending the new connections wizard to allow population of UML, when selected. This would reduce the potential for these fields to be missed. | | <p>Completed</p> <p>End of 2018</p> | |

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

The management of registry information was reviewed. The event detail report and registry list were reviewed to determine compliance.

Audit commentary

85 new connections were completed and made active during the period reviewed. I reviewed these completed new connections on the event detail report and found all had a pricing category entered within 10 days of being energised.

Audit outcome

Compliant

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

The registry list was reviewed to determine compliance.

Audit commentary

8545 (99.9%) of Centralines' 8550 ICPs have GPS coordinates that allow the ICP to be readily located. Where Centralines have populated GPS coordinates, these are provided in the correct format.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

Processes to manage the ready status were reviewed.

The event detail report and registry list were reviewed to identify and check ICPs at the “Ready” status.

Audit commentary

Centralines creates all ICPs at the “Ready” status, unless they know a network extension is needed.

All 85 ICPs connected during the audit period were made ready prior to electricity being traded, as discussed in **section 3.4**.

Two ICPs currently have the “Ready” status, and both have a single price category assigned and trader identified.

Audit outcome

Compliant

4.10. Management of “distributor” status (Clause 16 Schedule 11.1)

Code reference

Clause 16 Schedule 11.1

Code related audit information

The ICP status of “distributor” must be managed by the distributor and indicates that the ICP record represents a shared unmetered load installation or the point of connection between an embedded network and its parent network.

Audit observation

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

Audit commentary

Centralines does not supply any ICPs with distributor status; no embedded networks or shared unmetered load is connected to Centralines’ network. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The decommissioning process was discussed.

The event detail report and registry list were reviewed to identify ICPs at decommissioned status. All ICPs ready for decommissioning, and 10 decommissioned ICPs were checked.

Audit commentary

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

There were two ICPs are at the “Inactive - ready for decommissioning” status. Both ICPs were checked and found one has since been decommissioned as part of BAU, but no request has been received by Centralines in relation to ICP 1623001000CH5C9. Centralines have not decommissioned this site and it is therefore at the correct status. They have contacted the trader to progress this.

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

Audit outcome

Compliant

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

The price category code table on the registry was examined.

Audit commentary

Price category codes CH1T and CH2T came into effect on 01/04/2017. Both codes were entered more than two months before the effective date, on 30/01/2017.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

Code reference

Clause 21 Schedule 11.1

Code related audit information

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

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

A loss category code takes effect on the specified date.

Audit observation

The loss category code table on the registry was examined.

Audit commentary

No new loss factors have been created 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 2 loss factors per calendar month. Each loss factor must cover a range of trading periods within that month so that all trading periods have a single applicable loss factor.

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

Audit observation

The loss category code table on the registry was examined.

Audit commentary

No loss factors were changed during the audit period; compliance was not assessed.

Audit outcome

Not applicable

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

Centralines has not created or decommissioned any NSPs during the audit period; compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

No NSPs have been created or decommissioned during the audit period, and there is only one NSP therefore there were no NSP changes; compliance was not assessed.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period; compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

Centralines has not created any new embedded networks during the audit period; compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period; 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 give written notice to any trader trading at the ICP of the transfer at least one month before the transfer.

Audit observation

The NSP table was reviewed.

Audit commentary

No existing ICPs became NSPs during the audit period; compliance was not assessed.

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 give written notice to the Authority in the prescribed form, no later than three business days before the transfer takes effect.

Audit observation

The NSP table was reviewed.

Audit commentary

Centralines has not initiated the transfer of any ICPs during the audit period; compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Centralines do not have responsibility for any NSPs that are not POCs to the grid; compliance was not assessed.

Audit outcome

Not applicable

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 supply point table was reviewed.

Audit commentary

Centralines do not have responsibility for any NSPs that are not POCs to the grid; compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Centralines have not initiated any changes of network owner; compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Centralines do not have responsibility for any NSPs that are not POCs to the grid; compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Centralines is not responsible for embedded network gate meters; compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Centralines has not initiated the transfer of any ICPs during the audit period; compliance was not assessed.

Audit outcome

Not applicable

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

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

Audit commentary

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

Audit outcome

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 give written notice to all traders affected by that change or decommissioning as soon as practicable after the change or decommissioning.

Audit observation

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

Audit commentary

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

Audit outcome

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 calculation of loss factors was reviewed.

Audit commentary

Centralines use Unison's documented loss factor process to determine losses. These follow the "Guidelines on the calculation and the use of loss factors for reconciliation purposes v2.1". Loss factors have been reviewed during the audit period and no changes were made.

Audit outcome

Compliant

CONCLUSION

The audit found three non-compliances and makes two recommendations. The non-compliances found are minor and affect a small number of ICPs. The processes in place ensure that there is good visibility and close management of activities on this network. Both recommendations made are in relation to not recording unmetered load details on the registry. Unison, on behalf of Centralines, are already working to remedy this.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of five, which results in an indicative audit frequency of 24 months. I have considered this result in conjunction with Unison's responses on behalf of Centralines and I agree with this recommendation.

PARTICIPANT RESPONSE

Unison have reviewed this report on behalf of Centralines and their comments are recorded in the body of the report. No further comments were provided.