

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**



For

EASTLAND NETWORK LIMITED

Prepared by: Rebecca Elliot, Veritek Limited

Date audit commenced: 8 May 2018

Date audit report completed: 6 July 2018

Audit report due date: 07-Jul-18

TABLE OF CONTENTS

| | |
|--|----|
| Executive summary | 4 |
| Audit summary | 5 |
| Non-compliances | 5 |
| Recommendations | 6 |
| Issues 6 | |
| 1. Administrative | 7 |
| 1.1. Exemptions from Obligations to Comply with Code (Section 11) | 7 |
| 1.2. Structure of Organisation | 8 |
| 1.3. Persons involved in this audit | 9 |
| 1.4. Use of contractors (Clause 11.2A) | 9 |
| 1.5. Supplier list | 10 |
| 1.6. Hardware and Software | 10 |
| 1.7. Breaches or Breach Allegations | 10 |
| 1.8. ICP and NSP Data | 10 |
| 1.9. Authorisation Received | 11 |
| 1.10. Scope of Audit | 12 |
| 1.11. Summary of previous audit | 13 |
| 2. Operational Infrastructure | 14 |
| 2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1)) | 14 |
| 2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2)) | 15 |
| 3. Creation of ICPs | 18 |
| 3.1. Distributors must create ICPs (Clause 11.4) | 18 |
| 3.2. Participants may request distributors to create ICPs (Clause 11.5(3)) | 18 |
| 3.3. Provision of ICP Information to the registry manager (Clause 11.7) | 19 |
| 3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule 11.1) | 19 |
| 3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule 11.1) | 20 |
| 3.6. Connection of ICP that is not an NSP (Clause 11.17) | 21 |
| 3.7. Connection of ICP that is not an NSP (Clause 10.31) | 22 |
| 3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A) | 22 |
| 3.9. Connection of NSP that is not point of connection to grid (Clause 10.30) | 23 |
| 3.10. Temporary electrical connection of NSP that is not point of connection to grid (Clause 10.30(A)) | 23 |
| 3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1) | 24 |
| 3.12. Loss category (Clause 6 Schedule 11.1) | 24 |
| 3.13. Management of “new” status (Clause 13 Schedule 11.1) | 24 |
| 3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1) | 25 |
| 3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1) | 26 |
| 4. Maintenance of registry information | 27 |
| 4.1. Changes to registry information (Clause 8 Schedule 11.1) | 27 |
| 4.2. Notice of NSP for each ICP (Clauses 7(1), (4) and (5) Schedule 11.1) | 29 |
| 4.3. Customer queries about ICP (Clause 11.31) | 29 |

| | | |
|----------------------|---|----|
| 4.4. | ICP location address (Clause 2 Schedule 11.1) | 29 |
| 4.5. | Electrically disconnecting an ICP (Clause 3 Schedule 11.1) | 31 |
| 4.6. | Distributors to Provide ICP Information to the Registry manager (Clause 7(1) Schedule 11.1) | 31 |
| 4.7. | Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1) | 35 |
| 4.8. | GPS coordinates (Clause 7(8) and (9) Schedule 11.1) | 36 |
| 4.9. | Management of “ready” status (Clause 14 Schedule 11.1) | 36 |
| 4.10. | Management of “distributor” status (Clause 16 Schedule 11.1) | 37 |
| 4.11. | Management of “decommissioned” status (Clause 20 Schedule 11.1) | 37 |
| 4.12. | Maintenance of price category codes (Clause 23 Schedule 11.1)..... | 38 |
| 5. | Creation and maintenance of loss factors | 40 |
| 5.1. | Updating table of loss category codes (Clause 21 Schedule 11.1) | 40 |
| 5.2. | Updating loss factors (Clause 22 Schedule 11.1) | 40 |
| 6. | Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs)..... | 41 |
| 6.1. | Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1) | 41 |
| 6.2. | Provision of NSP information (Clause 26(1) and (2) Schedule 11.1) | 41 |
| 6.3. | Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1) | 42 |
| 6.4. | Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)..... | 42 |
| 6.5. | Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1) | 43 |
| 6.6. | Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1) | 43 |
| 6.7. | Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2) | 44 |
| 6.8. | Responsibility for metering information for NSP that is not a POC to the grid (Clause 10.25(1) and 10.25(3)) | 44 |
| 6.9. | Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2)) | 45 |
| 6.10. | Obligations concerning change in network owner (Clause 29 Schedule 11.1) | 45 |
| 6.11. | Change of MEP for embedded network gate meter (Clause 10.22(1)(b)) | 46 |
| 6.12. | Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2) | 46 |
| 6.13. | Transfer of ICPs for embedded network (Clause 6 Schedule 11.2)..... | 47 |
| 7. | Maintenance of shared unmetered load | 48 |
| 7.1. | Notification of shared unmetered load ICP list (Clause 11.14(2) and (4)) | 48 |
| 7.2. | Changes to shared unmetered load (Clause 11.14(5))..... | 48 |
| 8. | Calculation of loss factors | 49 |
| 8.1. | Creation of loss factors (Clause 11.2)..... | 49 |
| Conclusion | | 50 |
| Participant response | | 51 |

EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Eastland Network Limited (Eastland)**, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11. The audit was carried out at the Eastland's premises in Gisborne, on May 8th, 2018.

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

This audit found that the non-compliances raised last year have largely been addressed. Overall there is a high level of compliance. Some opportunities for improvement have been identified in the five recommendations made. The majority of these relate to reviewing some of the existing discrepancy reporting to ensure that these return the expected results.

Distributed generation installations continue to increase, and Eastland are reviewing this process to improve the quality of information and timeliness of information.

I thank Jennette and the team for their co-operation and willingness to make improvements as part of this audit.

The audit found six non-compliances and five recommendations are made. The next audit frequency table indicates that the next audit be due in 12 months. I have considered this result in conjunction with Eastland's responses and 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 |
|---|---------|-----------------------------|---|----------|-------------------|--------------------|-----------------|
| Requirement to provide complete and accurate information | 2.1 | 11.2(1) | Information provided not complete and accurate in all instances. | Moderate | Low | 2 | Identified |
| Requirement to correct errors | 2.2 | 11.2(2) | Errors not corrected as soon as practicable. | Moderate | Low | 2 | Identified |
| Timeliness of Provision of Initial Electrical Connection Date | 3.5 | 7(2A) of Schedule 11.1 | Late population of the initial electrical connection date for 17 ICPs (11%). | Moderate | Low | 2 | Identified |
| Changes to registry information | 4.1 | 8 Schedule 11.1 | Some price, network, status, and address changes were backdated. | Weak | Low | 3 | Identified |
| ICP location address | 4.4 | 2 Schedule 11.1 | Four ICPs with duplicate addresses. | Weak | Low | 3 | Investigating |
| Provide ICP Information to the Registry manager | 4.6 | 7(1)(m) & (p) Schedule 11.1 | Six incorrect initial electrical connection dates. Seven ICPs with distributed generation recorded by the trader but Eastland has no details recorded. | Moderate | Low | 2 | Identified |
| Future Risk Rating | | | | | | 14 | |

| | | | | | | |
|----------------------------|-----------|-----------|-----------|-----------|----------|----------|
| 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 |
|--|---------|--|-------------|
| Requirement to correct errors | 2.2 | Review status mismatch query to ensure all ICPs are identified. | Identified |
| | | Create query to check initial electrical connection date accuracy against retailers first active date and meter certification. | Identified |
| | | Review duplicate address query to ensure any duplicated addresses are identified. | Identified |
| Participants may request distributors to create ICPs | 3.2 | Review trader acceptance process. | Identified |
| Distributors to provide ICP information | 4.6 | Monitor PR255 report for potential distributed generation. | 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.

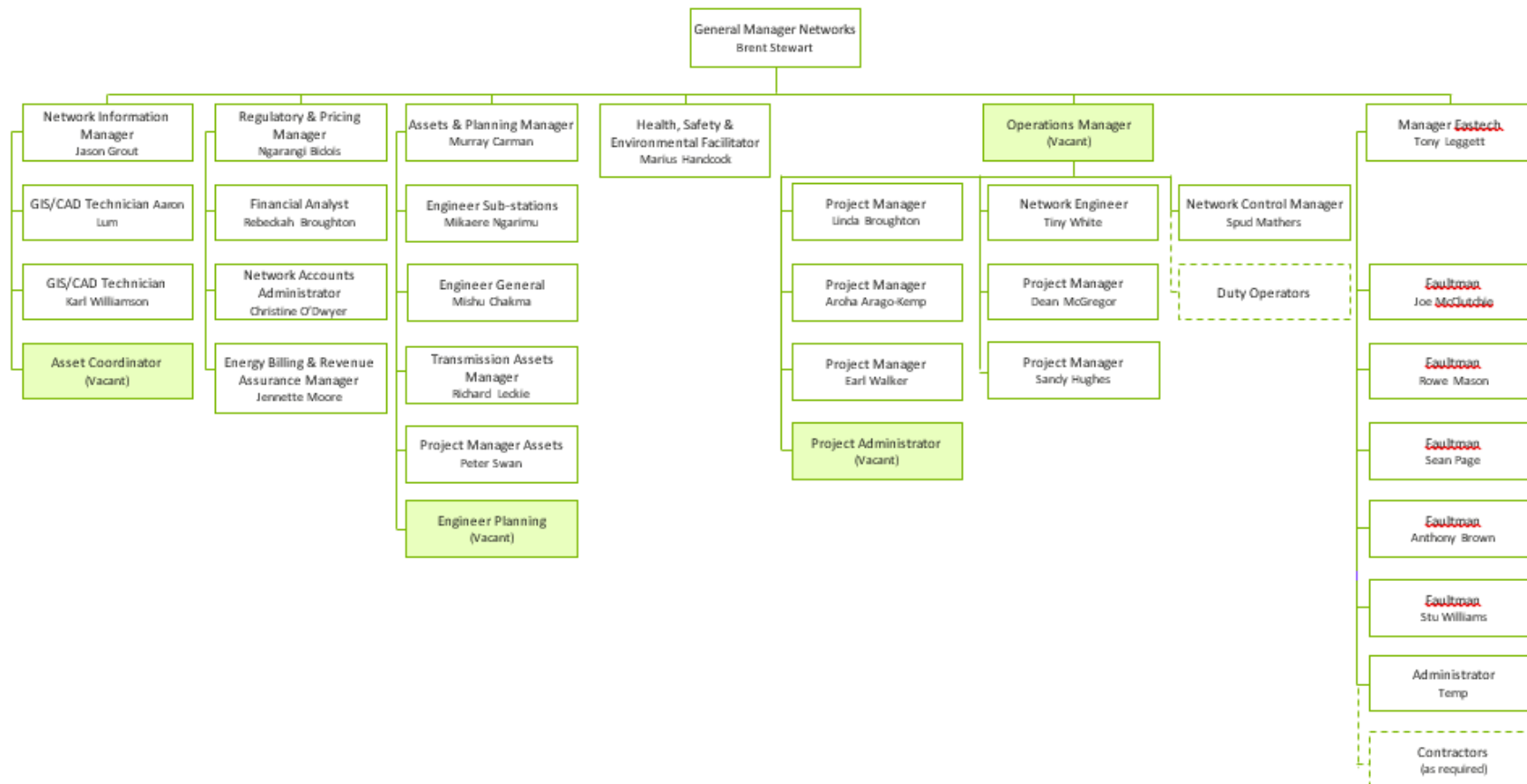
Audit commentary

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

Eastland provided a copy of their organisation structure:

▲ Networks Organisational Chart



1.3. Persons involved in this audit

Auditor:

Rebecca Elliot

Veritek Limited

Electricity Authority Approved Auditor

Eastland Networks personnel assisting in this audit were:

| Name | Title |
|-----------------|---------------------------------------|
| Carl Williamson | GIS/CAD Technician |
| Jason Grout | Information Manager |
| Jennette Moore | Billing and Revenue Assurance Manager |

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

Eastland provided a list of approved contractors. These are set out in **section 1.5**.

1.5. Supplier list

Eastland provided a list of approved contractors, which is summarised below:

| Network Construction/Maintenance/Livening Agents | | |
|--|----------|---------------------|
| Company | Location | Name |
| Apex Power Systems Ltd | Gisborne | Jason Collier |
| Inline Construction Ltd | Gisborne | Aaron McKinnon |
| Power Connections Ltd | Gisborne | Glen McKinnon |
| Power Technologies Ltd | Gisborne | Steven Clark (Foxy) |
| Eastech Ltd | Gisborne | Dennis McConnell |
| Eastech Ltd | Gisborne | Tony Leggett |
| Inspectors | | |
| Company | Location | Name |
| ECIS Ltd | Gisborne | Jai Goodyear |
| Mark Gregory | Wairoa | Mark Gregory |

1.6. Hardware and Software

Eastland continues to use the Gentrack Velocity system for most of the functions covered by this audit. Their GIS is called “Powerview”.

Eastland performs a nightly server backup, and on a fortnightly basis a tape backup is performed. These are stored off-site and periodically restored to check readability. A mirrored server also exists in a separate building.

1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there have been no alleged breaches related to this audit scope for Eastland for the audit period.

1.8. ICP and NSP Data

Eastland has responsibility for the Eastland local network, which has one NSP and one balancing area. There have been no changes during the audit period. The table below sets out the details.

| Distributor | NSP POC | Description | Parent POC | Parent Network | Balancing Area | Network type | Start date | No of ICPs |
|-------------|---------|---------------|------------|----------------|----------------|--------------|------------|------------|
| EAST | TUI1101 | TUIA FOR EAST | | | TUI1101EASTG | G | 1/04/2015 | 25,549 |

There are no embedded networks connected to the Eastland network.

A list file detailing the ICP statuses was provided as at 5/04/18:

| Status | Number of ICPs (2018) | Number of ICPs (2017) | Number of ICPs (2016) |
|---|--------------------------|--------------------------|--------------------------|
| New (999,0) | 0 | 0 | 0 |
| Ready (0,0) | 15 | 12 | 13 |
| Active (2,0) | 25,549 | 25,422 | 25,423 |
| Distributor (888,0) | 0 | 0 | 0 |
| Inactive – new connection in progress (1,12) | 12 | 10 | 6 |
| Inactive – electrically disconnected vacant property (1,4) | 415 | 416 | 413 |
| Inactive – electrically disconnected remotely by AMI meter (1,7) | 73 | 75 | 18 |
| Inactive – electrically disconnected at pole fuse (1,8) | 6 | 4 | 0 |
| Inactive – electrically disconnected due to meter disconnected (1,9) | 5 | 1 | 0 |
| Inactive – electrically disconnected at meter box fuse (1,10) | 3 | 4 | 2 |
| Inactive – electrically disconnected at meter box switch (1,11) | 1 | 1 | 0 |
| Inactive – electrically disconnected ready for decommissioning (1,6) | 8 | 3 | 2 |
| Inactive – reconciled elsewhere (1,5) | 0 | 0 | 0 |
| Decommissioned (3) | 3,808 | 3,749 | 3,679 |

1.9. Authorisation Received

Eastland provided all the required information therefore no letter of authority was required.

1.10. Scope of Audit

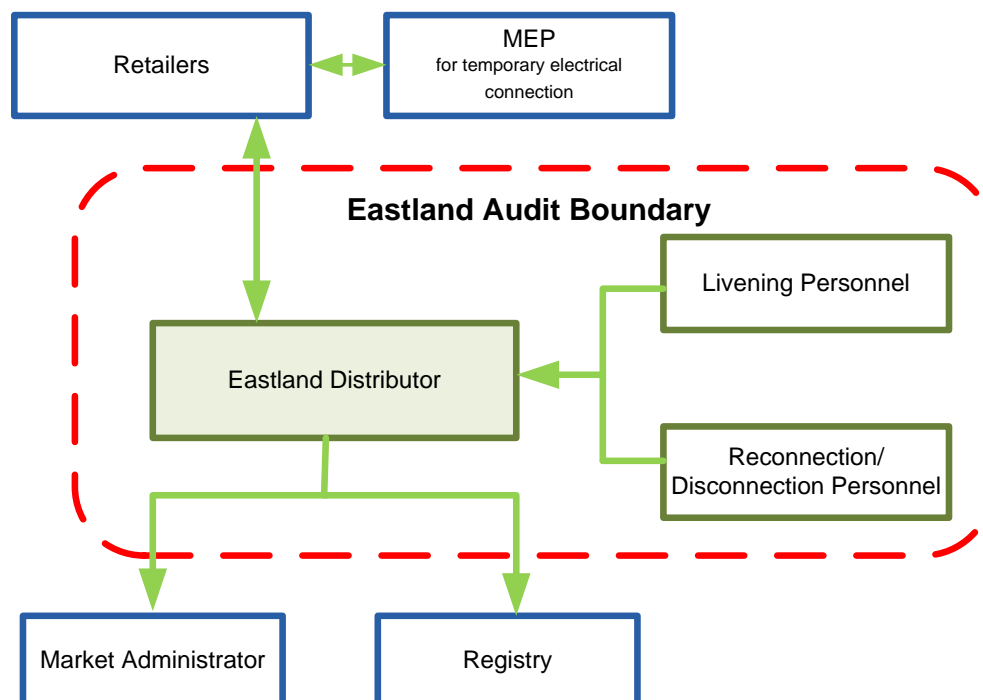
This Distributor audit was performed at the request of Eastland, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

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 Eastland is responsible for. There are no other contractors who assist with these tasks:

| Functions Requiring Audit Under Clause 11.10(4) of Part 11 | Contractors Involved in Performance of Tasks |
|---|--|
| The creation of ICP identifiers for ICPs. | Nil |
| 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

Eastland provided a copy of their previous audit, conducted in April 2017 by Rebecca Elliot of Veritek Limited. The matters raised are detailed in the table below. The audit found six non-compliances and made three recommendations. The current status of these raised are detailed in the table below:

Table of non-compliance

| Subject | Section | Clause | Non-compliance | Status |
|---|---------|------------------------|---|--------------------------------------|
| Requirement to Correct Error | 2.2 | 11.2(2) of part 11 | Registry rejection file not picked up and actioned. | Still existing for a different issue |
| Distributors to Create ICPs | 3.2 | 11.5(3) of Part 11 | 1 ICP not created within 3 business days of request. | Cleared |
| Timeliness of ICP Information to the Registry | 3.4 | 7(2) of Schedule 11.1 | 1 ICP not updated to the registry before electricity was traded. | Cleared |
| Timeliness of the Population if Initial Energisation Date | 3.5 | 7(2A) of Schedule 11.1 | 21 initial energisation dates updated late to the registry. | Still existing |
| Connection of ICPs | 3.6 | 11.17 of Part 11 | 1 ICP without a trader recorded on the registry after electrical connection had occurred. | Cleared |
| Changes to Registry | 4.1 | 8 of schedule 11.1 | Updates to registry backdated greater than 3 business days of the event. | Still existing |

Recommendations

| Subject | Section | Recommendation | Description |
|--|---------|--|----------------|
| Requirement to Correct Error | 2.2 | Review management of registry rejection notifications. | Cleared |
| Provision of ICP Information to the Registry | 4.6 | Examine all IED discrepancies to ensure Eastland date is correct. | Still existing |
| Management of "Ready" Status | 4.9 | Investigate network registry information being stripped out when updating. | Cleared |

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

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

The registry list file as at 5/04/18 was examined to confirm compliance.

Audit commentary

Eastland has a fully automated registry update process, which ensures all information listed in this clause is provided to the registry. As discussed in **section 2.2**, Eastland have a suite of registry discrepancy reporting in place. In this audit I identified some examples where the information provided was not complete and accurate.

Eastland have adopted the recommendation made in the last audit to ensure registry rejection files are managed.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|--|-----------------|------------------------|
| Audit Ref: 2.1 With: 11.2(1) and 10.6(1) From: 01-May-17 To: 31-Mar-18 | Information provided not complete and accurate in all instances. Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | Controls will mitigate risk most of the time, but there is room for errors to occur. The volume of ICPs is low, therefore the audit risk rating is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| 2 day checks on file location. | | June 18 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| | | | |

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

Eastland's data management processes were examined. The registry list file as at 5/04/18 was examined to confirm compliance.

Audit commentary

Eastland run a data discrepancy report on a daily basis. In addition to the daily report there is a larger suite of monthly discrepancy reports that are run after the billing run (and before bills are issued) to ensure that information is complete and accurate and not misleading or deceptive. Any incorrect data found is corrected upon discovery. As discussed in **section 4.11**, one example of an ICP with a status mismatch was found and I recommend that that this query is reviewed to ensure that it is picking up all status mismatches.

| Recommendation | Description | Audited party comment | Remedial action |
|-------------------------------|---|--|-----------------|
| Requirement to correct errors | Review status mismatch query to ensure all ICPs are identified. | Additional staff training & resource being undertaken. Additional report query development | Identified |

Eastland have addressed the issue raised in the last audit of registry rejection notification files not being picked up. All registry acknowledgement files are reviewed on a daily basis to identify any with error codes and these are actioned accordingly. As discussed in **section 4.6**, this was missed for one initial electrical connection date update due to staff leave. Eastland are addressing this by upskilling additional staff to ensure full cover is available when leave is taken.

As discussed in **section 3.5**, two ICPs were not identified as expected in the query that checks for any ICPs that have been made active by the trader but where Eastland have no initial electrical connection date populated hence these were late. Eastland are reviewing this query to ensure all ICPs are identified.

As discussed in **section 4.6**, eight ICPs were found with a date variance between the first active date and the initial electrical connection date. I recommend that a query be developed to identify date mismatches between the initial electrical connection date and the retailer's first active date.

| Recommendation | Description | Audited party comment | Remedial action |
|-------------------------------|--|---|-----------------|
| Requirement to correct errors | Create query to check initial electrical connection date accuracy against retailers first active date and meter certification. | Additional report query development. ENL entitled to rely on signed documentation received. | Identified |

As discussed in **section 4.4**, four ICPs with duplicate addresses were found. These were not identified via the discrepancy reporting and I recommend that the duplicate address query is reviewed.

| Recommendation | Description | Audited party comment | Remedial action |
|-------------------------------|---|---|-----------------|
| Requirement to correct errors | Review duplicate address query to ensure any duplicated addresses are identified. | Additional quality checks added to report query | Identified |

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|---|-----------------|------------------------|
| Audit Ref: 2.2 With: 11.2(2) and 10.6(2) From: 01-May-17 To: 31-Mar-18 | Errors not corrected as soon as practicable. Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | Controls will mitigate risk most of the time, but there is room for errors to occur. The volume of ICPs is low, therefore the audit risk rating is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Training additional staff & resources | | Nov 18 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| As above | | Nov 18 | |

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 169 created since April 2017 were checked from the point of application through to when the ICPs were created. The sample included ICPs with distributed generation. Eastland does not allow unmetered load connections on their network and has no embedded networks connected to their network.

Audit commentary

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

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

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The new connection process was examined in detail. A diverse characteristics sample of 10 new connection applications of the 169 created since April 2017 were checked to determine whether the ICPs had been created within three business days of a request by a trader. The sample included ICPs with distributed generation.

Audit commentary

For all new connections an “engineering review” is completed prior to the application for an ICP. The application for service form (AFS) is normally completed by the electrician and includes the nominated trader. This is provided to one of Eastland’s approved contractors, who approves the application from an engineering perspective, and then submits it to Eastland for the final approval and the creation of an ICP.

The date the AFS is submitted to Eastland is entered into Gentrack as the “received date”; the ICP is then created and provided to the retailer by email. There is a blanket acceptance in place with traders and if a trader rejects the ICP then it is moved back to the “new” status until a trader accepts responsibility. No ICPs have been rejected by traders. With the number of new entrant retailers entering the market I recommend that this is reviewed to confirm with the traders that they are happy with this approach or wish to accept on an ICP by ICP basis. The sample checked confirmed that all were created within three days of the request.

| Recommendation | Description | Audited party comment | Remedial action |
|---|-----------------------------------|---|-----------------|
| Participants may request distributor to create ICPs | Review trader acceptance process. | Recommendation adopted. Review with Traders for confirmation approach and advice of acceptance. | Identified |

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

The new connection process was examined in detail and is described in **section 3.2**. The list file was checked and a diverse characteristics sample of 10 new connection applications of the 169 created since April 2017 were checked from the point of application through to when the ICPs were created to confirm the process and controls worked in practice. The sample included ICPs with distributed generation.

Audit commentary

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. All had the correct information populated as required by this clause. Review of the sample of new connections confirmed that the ICP information provided to the registry by Eastland was correct.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

An event detail report was examined for the period from 1 May 17 to 31 March 18 to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

The process is described in **section 3.3**. The event detail report identified 159 new ICPs were created and all were created as soon as practicable and prior to electricity being traded at the ICP.

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 sub-clause (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 electrical connection dates for the 159 completed new connections identified.

The ten latest updates, and all ICPs where initial electrical connection dates were not populated were checked, to determine the reasons for the delay. All ICPs with an initial electrical connection populated where the trader has not recorded active status were checked.

Audit commentary

Eastland runs a daily report identifying any ICPs with an active date and no initial electrical connection date recorded. Eastland send an email to the livening agents requesting that the paperwork be submitted. The energy safety site where electrical connections are recorded is also monitored and this date is used in lieu of the paperwork. However, despite these efforts paperwork is sometimes late from the field.

142 (89%) of the electrically connected ICPs identified were updated within ten business days. There were 17 ICPs (11%) that were not updated within ten business days of the electrical connection. The sample checked found that:

- five were due to late paperwork
- three had no paperwork received and these were updated as soon as the energy safety site was updated with the livening paperwork
- two were not identified on the daily report and were updated as soon as the date could be determined. The report is being reviewed to ensure all ICPs are identified.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|--|-----------------|------------------------|
| Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 31-Mar-17 To: 16-Jan-18 | Late population of the initial electrical connection date for 17 ICPs (11%). Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | Controls are rated as moderate, as they are sufficient to ensure that initial electrical connection dates are accurate and populated on time most of the time. The potential impact is low, as 11 ICPs were updated late. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Extend existing procedure to prompt participants for IED | | Sept 18 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| as above | | As above | |

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 process remains unchanged during the audit period, traders engage agents who are approved to work on Eastland's network to conduct electrical connection activities. Eastland does not conduct electrical connection; however, the design of the new connections process includes a step where the trader accepts responsibility in accordance with this clause. As detailed in **section 3.2**, I recommend that the current approach of trader acceptance is reviewed. Eastland network creates all ICPs at "Ready" with a proposed trader. All ICPs were recorded in the registry with a nominated trader recorded.

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 169 created since April 2017 identified from the list file were checked to determine if the ICPs were connected at the request of the trader.

Audit commentary

Eastland creates all new ICPs at "Ready" and all have a trader who has accepted responsibility for the ICP as confirmed by examination of the list file.

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

Eastland's 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 Eastland during the audit period.

Audit outcome

Compliant

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 Eastland during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

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

xxxxxxxxxxxccc 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

Eastland creates all ICPs at “Ready”, unless they know a network extension is needed or an ICP is rejected by the nominated trader. As noted in **section 3.2**, this has not occurred during the audit period.

No ICPs currently have the “New” status recorded. Monitoring of ICPs with the “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 event detail file and registry list were examined to determine compliance.

A sample of 11 ICPs with “New” or “Ready” status for more than 24 months were investigated to confirm whether the correct status was applied, and whether compliance is achieved.

Audit commentary

Each month Eastland monitors a report of ICPs at the “Ready” status. Any record on this report that is older than approximately six months is investigated with the trader. The list file was examined and found 15 ICPs at the “Ready” status and none at the “New” status. None of these were greater than 24 months old. ICPs at status “new connections in progress” are also monitored.

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 5/04/18 was examined.

Audit commentary

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

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

4.1. Changes to registry information (Clause 8 Schedule 11.1)

Code reference

Clause 8 Schedule 11.1

Code related audit information

If information held by the registry that relates to an ICP for which the distributor is responsible changes, the distributor must give written notice to the registry manager of that change.

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

In those cases, notification must be given no later than 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 May 2017 to March 2018 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. This included address, network, pricing, and status events. No NSP changes were made as Eastland has only one NSP.

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

383 address updates were identified. All were updated within than three business days after the event.

Network events

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

67 of these (94%) were updated more than three business days after the event.

- 41 of these relate to distributed generation details being added. I note that whilst these are backdated greater than three days, eight of the ten checked were picked up within a month of these being connected. This process is discussed in **section 4.6**.
- 26 of these relate to the updating of unmetered load details. Any changes to street lights require an “as built” to be provided before these changes are updated on the registry in line with the billing cycle, hence these will always be backdated.

The sample checked of the ten latest updates all related to distributed generation being added and this was caused by late notification from the field.

Pricing events

Eastland continue to backdate pricing events, but only if it is found that the customer has been billed incorrectly. This meets the requirement to provide correct and accurate information but does cause non-compliance for the late updating of the registry in these instances.

252 pricing updates were identified. 43 of these (5.9%) were updated more than three business days after the event. None were updated more than 30 business days after the event. The sample checked found that all were corrections.

Status events

The process is discussed in **section 4.11**. 42 status updates to decommissioned were identified. 36 of these (85.7%) were updated more than three business days after the event. 16 were updated more than 30 business days after the event. The ten latest updates were reviewed and found four were delayed due to late paperwork being received and six were delayed due to staff leave. As discussed in **section 2.2**, Eastland are addressing this by upskilling additional staff to ensure full cover is available when leave is taken.

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

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|--|--|-----------------|------------------------|
| Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Jun-17 To: 31-Mar-18 | Some price, network, status, and address changes were backdated. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | Controls are rated as weak as the process to update distributed generation and decommissioned ICPs identifies controls could be stronger to improve timeliness. The risk rating is low as these updates have no direct impact on reconciliation and I note that all distributed generation updates were within one month. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Additional staff training & resource being undertaken | | Nov 18 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| New check procedure for DG. Implement PR255 to identify PV1 query on a weekly basis | | July 18 | |

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

Code reference

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

Code related audit information

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

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

Audit observation

The process to determine the correct NSP was examined. The registry list and event detail report were reviewed to determine compliance.

Audit commentary

There is no uncertainty regarding NSP and ICP relationships on Eastland's network, as there is only one NSP and one balancing area. The NSP for each ICP is notified to the registry as part of the new connections process.

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

Eastland seldom receives direct requests for ICP identifiers. ICP identifiers can be 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 ICPs.

Audit commentary

Gentrack will not allow duplicate addresses for new ICPs. Sometimes a duplicate address may be created as a result of an address change request from a trader. These are expected to be identified via discrepancy reporting. Examination of the list file identified four ICPs with duplicate addresses. These were not identified via the discrepancy reporting and I recommend in **section 2.2**, that the duplicate address query is reviewed.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|--|---|-----------------|------------------------|
| Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 07-Sep-17 To: 31-Mar-18 | Four ICPs with duplicate addresses. Potential impact: Low Actual impact: Low Audit history: None Controls: Weak Breach risk rating: 3 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | Controls are rated as weak as the query in place does not appear to be identifying duplicate addresses - once corrected controls should be strong. The audit risk rating is low as only four ICPs were found to have duplicated addresses. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| Review report query & increase occurrence of checks | | July 18 | Investigating |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| | | | |

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 and there are no shared service mains on the Eastland network.

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 confirm that all the ICP information is populated as required by this clause.

A typical sample of ten ICPs or the whole population of data discrepancies found were checked and are detailed below.

Audit commentary

Eastland has a fully automated registry update process, which ensures all information listed in this clause is provided to the registry. All ICP information was checked and confirmed compliant unless discussed below:

Distributed generation

The current process is that customers must apply to Eastland to get approval to connect distributed generation. The electrical connection of these sites is known by the network engineers, but this information doesn't flow very well to the new connections team and these are often picked up through the monitoring of the EIEP1 file or are advised to Eastland by the trader. Once aware of the presence of distributed generation, Eastland confirms that the installation has been inspected, and confirms the capacity and fuel type before loading to this to Gentrack. This process generally takes more than three business days to complete as detailed in **section 4.1** above. Eastland are reviewing this process to improve the quality of information and timeliness of information. I recommend that the PR255 report is used to monitor any meter configurations that indicate injection channels and therefore potential distributed generation.

| Recommendation | Description | Audited party comment | Remedial action |
|---|--|--|-----------------|
| Distributors to provide ICP information | Monitor PR255 report for potential distributed generation. | Implemented report procedure from Registry | Identified |

Examination of the list file found 220 ICPs recorded with generation capacity. All have generation capacity and fuel type recorded correctly in the registry. The list file contained eight ICPs with a profile against which distributed generation can be submitted and an injection channel recorded on the meter, but the distributed generation fields were not populated. These were checked and found:

- two ICPs have had the details populated since the list file was provided
- six ICPs have no distributed generation details populated suggesting the distributed generation details are missing for these ICPs.

There were nine ICPs with injection/export metering indicated by the MEP on the registry, but the profile doesn't indicate generation is present, and no generation capacity is recorded by Eastland. These were examined and found:

- the trader has the RPS profile assigned for seven of these ICPs, one of these has had the distributed generation load details uploaded since the list file was provided and six have no distributed generation recorded
- the trader has updated the profile to RPS PV1 for ICPs 0000181634ENCBA and 0000270596ENFAB indicating distributed generation is installed but none is recorded by Eastland.

The 14 ICPs with potential distributed generation are being investigated. I have recorded seven of these as non-compliant for those ICPs with an RPS PV1 profile indicate generation is present and being submitted.

Unmetered load

Part 11 states the distributors must provide unmetered load type and capacity of the unmetered load to the registry "if known".

Eastland does not allow any new unmetered connections to their network, unless they are part of an existing unmetered streetlight ICP. All new subdivision streetlight ICPs are metered.

Eastland has an unmetered load recorded for all active ICPs with the UML flag set to Y. They notify the registry of changes to unmetered load by populating the distributor unmetered load field using the recommended format. Analysis of the list file found ICP 0007000608ENB95 has a variation with the load recorded by the trader. This is being investigated with the trader. I note that the trader has no details as to how the load is being derived other than a daily kW figure.

Initial electrical connection date

159 new connections were identified in the event detail report. All but one ICP (0000019202EN864) that was electrically connected during the audit period had an initial electrical connection date recorded. This was missed due to the notification to the registry failing to upload. The management of registry file rejections is discussed in **section 2.2**. Non-compliance is recorded in **section 3.5** for the late population of initial electrical connection dates.

There were no ICPs at the “Ready” status with the initial electrical connection dates populated. One ICP (0001902009EN212) was at the “New connection in progress” status with an initial electrical connection date. This was checked on the registry and it has since been updated to active by the retailer.

The event detail report and the registry list were examined to determine the accuracy of initial electrical connection date. Where the initial electrical connection date was populated:

- 142 (94.6%) match the retailer’s earliest active date, eight do not match
- 143 (95.3%) match the meter certification date, seven do not match (these are the same ICPs as identified above).

These were all checked against the paperwork provided, electricity safety site livening record (where possible) to determine whether Eastland’s records were correct and found:

- six where the date recorded in the paperwork returned from the field is incorrect
- ICP 0000401367ENF81 Eastland’s date is correct and this matched to the meter certification date
- ICP 0000901166WWBD5 where the date was incorrect due to it being mis-keyed when it was entered.

I recommend in **section 2.2**, that a query be developed to identify date mismatches between the initial electrical connection date and the retailer’s first active date.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|--|---|-----------------|------------------------|
| Audit Ref: 4.6 With: Clause 7(1)(m) & (p) Schedule 11.1 From: 01-Jun-17 To: 31-Mar-18 | Six incorrect initial electrical connection dates. Seven ICPs with distributed generation recorded by the trader but Eastland has no details recorded. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | The controls are rated as moderate, as Eastland mitigate risk most of the time but there is room for errors to occur, specifically in relation to the recording of distributed generation (process is under review). The audit risk rating is recorded as low as the overall number of variances is low. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| As per 3.5 & 4. | | Sept 18 | Identified |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| | | | |

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

Eastland is able to confirm these details in the majority of cases prior to electrical connection of the ICP. If any changes are required these are updated as soon as possible. 159 new connections were completed and made active during the period reviewed. The backdated price category changes were checked and confirmed that none were related to new connections.

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

Eastland do not populate GPS co-ordinates therefore this clause was not evaluated.

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. A diverse sample of ten ICPs at "Ready" status were checked.

Audit commentary

The new connection process is detailed in **section 3.2**. Eastland creates all ICPs at the “Ready” status, unless they know a network extension needed or an ICP is rejected by the nominated trader. As noted in **section 3.2**, this has not occurred during the audit period.

Eastland’s process achieves the outcome required by this clause. When ICPs are created at “Ready” a proposed trader is recorded in every instance, and only one price category code exists.

The issue identified in the last audit of network information being stripped out where a subsequent network event writes to the registry has been resolved, and no evidence of this occurring was found in this audit. This is being monitored as part of the registry discrepancy process.

The records of 10 recently created ICPs were examined and compliance is confirmed.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

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

Audit commentary

Eastland does not have any embedded networks or shared unmetered load; therefore, there are no ICPs with a “Distributor” status. This was confirmed by checking the list file.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

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

Audit observation

The event detail report and registry list were reviewed to identify ICPs at decommissioned status. The eight ICPs at the “Ready for decommissioning” status were examined. A sample of ten ICPs decommissioned using the typical sample methodology were checked to confirm that the appropriate checks were carried out.

Audit commentary

All ICPs that have been electrically disconnected for more than 280 days are monitored. Notification is sent to the retailers of these ICPs, with a request for permission to permanently decommission. If this is confirmed by the trader, the process to decommission the site is followed. Requests for decommissioning are also received directly from traders. In all instances written permission must then be received from the property owner. Only once this has been received will the ICP be moved to “Ready for Decommissioning”. A “site verification” process is then followed to ensure that electrical installations associated with ICPs are physically removed before the “Decommissioned” status is used. Gentrack is updated and this then updates to the registry.

The check of the eight ICPs at “Ready for decommissioning” status found seven ICPs have since been decommissioned. ICP 0000371303ENEC9 is awaiting confirmation from the property owner before the decommissioning will proceed.

The check of the ten examples of ICPs decommissioned found one example (ICP 0003302913ENDFC) which was decommissioned in the registry but was still active in Gentrack. This ICP is decommissioned. This was updated manually on the registry and the step to update Gentrack was missed due to human error. The status mismatch reporting did not pick this up. I recommend in **section 2.2**, that this query is reviewed to ensure that all status mismatches are identified. This was an unusual occurrence as the majority of ICPs are updated in Gentrack which then updates the registry and therefore not a systematic failure. Eastland’s overall management of decommissioning is very robust.

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

No new pricing codes have been entered since 1 April 2016; compliance was not assessed.

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.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

Each loss category code must have a maximum of 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 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.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

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

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

Eastland has not created or decommissioned any NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

No balancing area changes have occurred during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(4) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 27 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

If the distributor wishes to transfer an ICP, the distributor must give written notice to the Authority in the prescribed form, no later than three business days before the transfer takes effect.

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

The NSP supply point table was examined.

Audit commentary

No NSPs were created 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 supply point table was reviewed.

Audit commentary

Eastland have not connected any new NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

at least one months 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

Eastland have not initiated any changes of network owner.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Eastland has no embedded networks connected to their network.

Audit outcome

Compliant

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Eastland is not responsible for embedded network gate meters.

Audit outcome

Compliant

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

Code reference

Clause 6 Schedule 11.2

Code related audit information

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

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

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

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

Audit commentary

Eastland does not allow any shared unmetered load connections on its network and it does not have any existing shared unmetered load connections.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

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

Audit commentary

As detailed in **section 7.1**, Eastland have no shared unmetered load connections on their network.

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

The calculation of loss factors was reviewed.

Audit commentary

Eastland review their loss factors on an annual basis. The UFE graph supplied by the Electricity Authority indicates that losses are within an acceptable range.

Audit outcome

Compliant

CONCLUSION

This audit found that the non-compliances raised last year have largely been addressed. Overall there is a high level of compliance. Some opportunities for improvement have been identified in the five recommendations made. The majority of these are relating to reviewing some of the existing discrepancy reporting to ensure that these return the expected results.

Distributed generation installations continue to increase, and Eastland are reviewing this process to improve the quality of information and timeliness of information.

I thank Jennette and the team for their co-operation and willingness to make improvements as part of this audit.

The audit found six non-compliances and five recommendations are made. The next audit frequency table indicates that the next audit be due in 12 months. I have considered this result in conjunction with Eastland's responses and agree with this recommendation.

PARTICIPANT RESPONSE

The Audit has been carefully reviewed with discussions undertaken to identify where additional checks and queries can be implemented to improve compliance matters.

The Initial Energisation Date (IED) as mentioned in previous Audits is still difficult to reconcile on occasions as Trader information can either “lead or lag” in this area. Report checks and queries are being reviewed to identify where improvement can be made for follow up actions by Eastland Network.

Distributed Generation is another area where information from Traders can lag significantly. With the implementation of the PR255 Registry report review, compliance in updating of information should be improved in this area.

Further resource training is being undertaken so delays in information and price category reviews are reduced.

We thank Veritek for the time and assistance given with identifying reports from the Registry that can provide assistance in the review process.