

Notice of the Authority's decision under regulation 29 of the Electricity Industry (Enforcement) Regulations 2010

Under regulation 29(1) of the Electricity Industry (Enforcement) Regulations 2010 (Regulations) the Electricity Authority (Authority) must publicise every decision made under regulation 23(3) of the Regulations, together with the reasons for the Authority's decision.

Investigation

On 16 March 2020 the Authority appointed an investigator under regulation 12 of the Regulations to investigate the alleged breach by WEL Networks Limited (WEL) of clause 11.4(3) of the Electricity Industry Participation Code 2010 (Code).

On 3 March 2020, the Authority alleged that WEL Networks breached the Code by changing the installation control point (ICP) identifier for the ICP associated with a builder's temporary supply (BTS) in a retirement village. WEL accepted a technical breach of this provision.

The investigation was related to an alleged breach by Pioneer Energy Limited (Pioneer). WEL had previously alleged that Pioneer had breached clause 10.33A(1)(c) of the Code by connecting an installation control point (ICP) at a retirement village without receiving written approval from WEL as owner of the network to make the electrical connection.

In August 2017, Pioneer applied for a connection for a builder's temporary supply (BTS) to enable the construction of a retirement village. Pioneer was the nominated retailer, accepting responsibility for the application under clause 11.17(2) of the Code.

A WEL authorised agent later carried out a meter upgrade using that ICP to install and certify a large commercial meter (Category 4) and lived a different point of connection (POC). The original BTS connection was still active during this time using the same ICP number as the new connection supplied from a different transformer.

Neither the change of POC nor the increase in load was requested by Pioneer, nor was it approved by WEL. The issue was not identified until the gaining retailer requested clarification.

On 5 December 2018, WEL received an email from the gaining retailer asking about removing the TOU meter. Communications attempting to understand what had occurred were not escalated to WEL management.

WEL took steps to retroactively correct the two connections including:

- asking the gaining retailer to complete an increase in load application for the original ICP to become a TOU ICP to reflect the actual state of the connection.
- asking Pioneer to apply for a new ICP to retroactively provide the BTS to its own ICP.
- asking Pioneer to submit consumption since May 2018 against the new ICP.

On 14 December 2018, WEL created a new ICP, backdated to 26 April 2018. On 19 February 2019, WEL decommissioned the new ICP after all consumption data had been received by WEL and billed to Pioneer. WEL subsequently discovered the connection was still on the incorrect price category for a connection of its size.

The investigation identified issues around the processes for applications for new connections. Documentation was incomplete and undated.

In the investigator's view, the main issue lies with the WEL Network agent who made the new connection rather than upgrading the existing one. When it became clear that the work appeared to be a new connection rather than an upgrade and that it had a different transformer, the work should have been stopped.

Because the ICP was being fed from two different points of connection, there was the potential that a worker could have come into contact with live assets because WEL's records would not have indicated a livened connection.

Because the unauthorised connection supplied a retirement village there was a higher likelihood that vulnerable customers may be supplied from the connection. WEL could have inadvertently de-energised the connection because its records indicated no customers were supplied from this transformer.

The safety issues that were identified fall outside the scope of the Code. These have been referred to the relevant authorities for consideration.

The alleged breach was reported by the Authority. No other party joined the investigation.

The Authority's decision

On 5 August 2020, the Authority considered a report from the investigator and agreed with a recommendation to discontinue the investigation under regulation 23(3)(a) of the Regulations.

Reasons for the Authority's decision

The reasons for the Authority's decision to discontinue the investigation were that:

- WEL accepted the breach
- WEL was attempting to resolve a situation
- WEL accepted that in hindsight there were alternative solutions which would not have breached the Code
- WEL have agreed to improve their processes and documentation for applications