

**ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT**

For

SCANPOWER LTD

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EXECUTIVE SUMMARY

This participant audit was performed at the request of Scanpower to encompass the Authority's request for annual audits, as required in clause 11.10 of Schedule 11 of the Electricity Industry Participation Code 2010, to assure compliance with the Code. The relevant rules audited are as required by the Guidelines for Distributor Audits V7.2, issued by the Electricity Authority

There are 7,122 ICPs on the Scanpower network. 56 ICPs have been created since the last audit.

The audit found the management of Scanpower's compliance with the Code to be well organised and thorough. We identified a low number of discrepancies in the registry and the ICP Database. The systems and processes in place are appropriate to a number of ICPs on the Scanpower network. Most of the updates of the registry are done manually, the nature of the discrepancies is consistent with high levels of manual data entry.

We recorded 7 non compliances and one recommendation with the impact on settlement outcomes being minor.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. Table 1 of the Guidelines for Distributor audit provides some guidance on this matter. The Future Risk Rating score is 13 which results in an indicative audit frequency of 12 months. We agree with this result.

We thank Scanpower for its full and complete cooperation in this audit.

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)	A small quantity of information in the registry was inaccurate	Moderate	Low	2	Identified
Timeliness of provision of Initial Electrical Connection Date (IECD)	3.5	7(2A) of Schedule 11.1	Initial Electrical Connection Date (IECD) was recorded for 6 new ICPs more than 10 days after the event	Moderate	Low	2	Identified
Monitoring of “new” & “ready” statuses	3.14	15 Schedule 11.1	1 ICP has remained in the ready status in the registry for more than 24 months. 2 ICPs have remained in the new status in the registry for more than 24 months	Strong	Low	1	Identified
Changes to registry information	4.1	8 of Schedule 11.1	A small number of registry updates were greater than 3 business days from the event date	Moderate	Low	2	Identified
ICP location address	4.4	2 of Schedule 11.1	27 ICPs have duplicate addresses, which makes them difficult to locate	Moderate	Low	2	Identified
Distributor to provide ICP information to the registry manager	4.6	7(1)(m)(o) (p) of Schedule 11.1	Incorrect or missing information in the registry for ICP addresses, UML, Initial Electrical Connection Date, and connection of embedded generation (solar) to the network	Weak	Low	3	Identified

Management of “decommissioned” status	4.11	20 of Schedule 11.1	Incorrect decommissioning date in the registry for 5 ICPs	Strong	Low	1	Identified
Future Risk Rating						13	
Next audit date						12 months	

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

RECOMMENDATIONS

Subject	Section	Recommendation	Description
Distributor to provide ICP information to the registry manager	4.6	Set up a procedure of populating a connection date of embedded generation in the registry	No consistent procedure which date is used as a connection date of embedded generation to the network

ISSUES

Subject	Section	Description	Issue
			Nil

1. ADMINISTRATIVE

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

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

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

Audit observation

Scanpower confirms that there are no exemptions in place which are relevant to the scope of this audit.

Audit commentary

We checked the Electricity Authority website and confirm that there are no exemptions in place.

1.2. Structure of Organisation



1.3. Persons involved in this audit

Name	Title	Company	Comment
Tristan Smiley	Network Engineer	Scanpower Ltd	
Ewa Glowacka	Electricity Authority Approved Auditor	TEG & Associates Ltd	

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

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

Audit observation

There are no contractors who assist with the Scanpower operations that were audited.

Audit commentary

During the audit, we did not identify any contractors which assist Scanpower to meet their obligation.

1.5. Supplier list

There are no suppliers who assist with the Scanpower operations that were audited.

1.6. Hardware and Software

An MS Access Database called the ICP Database is used to store information about ICPs and provide exception reporting.

1.7. Breaches or Breach Allegations

Scanpower has stated it has no breaches or alleged breached of Electricity Industry Participation Code related to this audit.

1.8. ICP and NSP Data

Distributor	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
SCAN	DVK0111	DANNEVIRKE			DANNEVKSCANG	G	01/05/08	5,630
SCAN	WVD0111	WOODVILLE			WOODVLLSCANG	G	01/05/08	1,492

Status	Number of ICPs (19/11/2020)	Number of ICPs (2019)	Number of ICPs (08/08/18)
New (999,0)	10	7	5
Ready (0,0)	5	0	3
Active (2,0)	6,707	6,909	6,679
Distributor (888,0)	0	0	0
Inactive – new connection in progress (1,12)	5	1	0

Inactive – electrically disconnected vacant property (1,4)	369	377	377
Inactive – electrically disconnected remotely by AMI meter (1,7)	16	6	10
Inactive – electrically disconnected at pole fuse (1,8)	3	5	0
Inactive – electrically disconnected due to meter disconnected (1,9)	2	1	1
Inactive – electrically disconnected at meter box fuse (1,10)	0	0	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	5	5	0
Inactive – reconciled elsewhere (1,5)	0	0	0
Decommissioned (3)	990	969	939

1.9. Authorisation Received

An authorisation letter was not required. All information was provided by Scanpower.

1.10. Scope of Audit

The audit covers the following processes under clause 16A.23 of Part 16A, performed by Scanpower, as listed below:

- The creation of ICP identifiers for ICPs
- The provision of ICP information to the registry and the maintenance of that information
- The creation and maintenance of loss factors

The audit was carried out over the phone on the 26/27 November 2020.

1.11. Summary of previous audit

The previous audit was conducted in 16/09/2019 by Allan Borcoski of Borcoski Energy Services Ltd. The following non-compliances were identified.

Subject	Section	Clause	Non Compliance	Comment
Requirement to provide complete and accurate information	2.1	11.2(1)	A small quantity of information in the registry was inaccurate, it was identified and corrected.	Still exist
Timeliness of provision of Initial Electrical Connection Date (IECD)	3.5	7(2A) of Schedule 11.1	IECD was not recorded for 17.95% of new ICPs. Some IECD registry updates more than 10 days after the event	Still exist Improved
Connection of ICP that is not an NSP	3.6	11.17	1 x ICP where a retailer had not accepted an ICP prior to it being connected to the	Cleared

			network.	
Monitoring of “new” & “ready” statuses	3.14	15 Schedule 11.1	2 x ICPs remained in the new and ready status in the registry for more than 24 months.	Still exist
Changes to registry information	4.1	8 of Schedule 11.1	A small number of registry updates were greater than 3 business days from the event date.	Still exist
ICP location address	4.4	2 of Schedule 11.1	For 29 ICPs the address descriptions do not allow ICPs to be readily located	Still exist
Distributor to provide ICP information to the registry manager	4.6	7(1)(m)(o)(p) of Schedule 11.1	Incorrect or missing information in the registry for addresses, UML, distributed generation and IECD	Still exist
Management of ready status	4.9	14 Schedule 11.1	1 x ICP the ready status was updated in the registry 2 months after the ICP had been connected to the network.	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

We checked the Audit Compliance Summary Report for the audit period, and the LIS file dated 19/11/2020. We discussed with Scanpower what processes were in place to ensure accurate information was provided to the registry.

There were a relatively small number of registry information discrepancies identified by Scanpower during the audit period.

Audit commentary

Scanpower has traceability of information from customers, other participants field staff, contractors through its service email inboxes and subsequently the ICP database. (MS Access). An ICP file record is created and all ICP information is stored in that file. New ICPs are entered manually using the registry web interface. Registry information updates are made using SFTP for bulk updates, e.g. addresses, and manual entry through the registry web browser for single updates.

The information system allowed discrepancies to be corrected quickly by enabling access to information for analysis.

The table below shows the summary of registry discrepancies.

Section	Registry Discrepancy
4.11	<ul style="list-style-type: none">Incorrect decommissioning date in the registry for 5 ICPs. The dates, entered by traders, for 4 ICPs are probably dates when meters were removed. The registry design precludes Scanpower to enter an earlier date, which would be correct.
4.6	<ul style="list-style-type: none">1 ICP - no UML load details in the distributor field4 ICPs Initial Electrical Connection date incorrect4 ICPs - incorrect date of connection date of solar to the network
4.4	<ul style="list-style-type: none">26 ICPs have duplicate addresses, which makes them difficult to locate
4.1	<ul style="list-style-type: none">A small number of registry updates were greater than 3 business days from the event date
3.14	<ul style="list-style-type: none">2 ICPs have remained in the new status in the registry for more than 24 months.1 ICP has remained in the ready status in the registry for more than 24 months.

3.6	<ul style="list-style-type: none"> 1 x ICP where a retailer had not accepted responsibility for an ICP prior to it being connected to the network.
3.5	<ul style="list-style-type: none"> 3 ICPs - new ICP connections had no IECD populated in the registry Initial Electrical Connection Date (IECD) was recorded for 6 new ICPs more than 10 days after the event

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: 11.2(1) From: 01-Sep-19 To: 31-Oct-20	A small quantity of information in the registry was inaccurate. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are moderate because processes and exception reporting are in place. Impact on settlement outcomes is minor therefore audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Review current controls to ensure they are appropriate.		31/03/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue reporting to identify exceptions and rectify in a timely manner.		Ongoing	

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

We checked the Audit Compliance Summary Report for the audit period and the LIS file dated 19/11/2020. We discussed with Scanpower what processes were in place to identify information discrepancies in their systems and the registry, and the methods to correct that data as soon as practicable.

Audit commentary

Scanpower regularly validates information uploaded to the registry. If discrepancies are identified they are corrected immediately.

Exception reporting has been developed in the ICP database to identify discrepancies around ICP Status, ICP decommission status, IECD and address issues.

The Audit Compliance report is downloaded and reviewed every second month.

Also every second month the LIS file is downloaded from the registry and compared with the ICP database.

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 connections process was discussed with Scanpower staff and the EDA file was checked for the audit period.

Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A network capacity check is completed using the GIS.

Once the application is approved and the connection fees paid (or deposit where works need to be completed) Scanpower enters new ICP using the registry web interface. The file is created in the ICP database. The file contains address information, NSP, price category code, loss factor, connection type.

59 new ICPs were created during the audit period.

We verified that new ICP connection information is kept in the ICP Database and that data matched that in the registry.

16 new ICP connection records were checked.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

The distributor, within 3 business days of receiving a request 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

An ICP identifier is created only on a customer or electrician request not the participant.

Audit commentary

This clause is not applicable to Scanpower. Compliance was not assessed.

Audit outcome

Not applicable

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 Audit Compliance Report, the LIS file and the EDA report were checked for the audit period. The new connections process was discussed with Scanpower staff.

Audit commentary

The new connection process is robust and followed by Scanpower. 59 new ICPs were created during the audit period.

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. A network capacity check is completed using the GIS.

Once the application is approved and the connection fees paid (or deposit where works need to be completed) Scanpower enters new ICP using the registry web interface. Scanpower issues the ICP to the customer or their agent instructing them to engage with a trader.

New ICPs and their attributes are recorded in the ICP Database.

Once Scanpower receives an acceptance of an ICP from a trader, the proposed trader is loaded to the registry which will trigger an update of the ICP status to “ready”.

16 new ICPs were randomly selected and data checked both in the ICP Database and the registry. No issues were found.

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

The Audit Compliance Report, the LIS file and the EDA file were checked for the audit period. The new connections process was discussed with Scanpower staff.

16 new ICP connection records were also checked.

Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network. The customer and connection details from the Network Connection Application Form are recorded in the ICP database. Once the application is approved and the customer has paid the fees, Scanpower will create the ICP in the registry with the status of “new”.

We checked 16 ICPs that were randomly selected from ICPs created during the audit period to confirm Scanpower populated the registry with ICPs prior to commencement of trading. There were no issues found and most ICPs were uploaded to the registry the day they were created. We identified one ICP 0004709520CA9CF, which was backdated by 11 BD. The ICP still has the status “new”, no retailer has accepted it yet.

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 Audit Compliance Report, LIS file, and EDA report were checked for the audit period and discussed with Scanpower staff. In addition, 16 randomly selected new ICP connections were checked.

Audit commentary

Scanpower notifies the retailer of the agreed network connection date. Scanpower staff carry out the connection to the network on the agreed date and notify the retailer of the completed ICP connection and energisation status.

Scanpower staff no longer install metering and this work is now completed by a MEP contractor. Scanpower tries to co-ordinate the physical network connection with the metering contractor. If co-ordination with the meter installer cannot be achieved, the ICP may be connected to the network and livened to an agreed disconnect point (locked off and tagged) prior to the metering point. In these situations, the ICP active and metering commissioning dates in the registry will be a date following the IECD.

Scanpower staff return the Electrical Safety Certificate (ESC) to the office and the IECD is entered into the ICP Database and the registry.

The Initial Electrical Connection date was not populated for 3 ICPs in the registry. It was updated during the audit.

We identified 6 ICPs for which Initial Electrical Connection date was uploaded to the registry later than 10BD.

In last audit it was suggested that Scanpower make use of the Audit Compliance report to assist with exception reporting in this area. Scanpower checks the report every second month.

Audit outcome

Non-compliant

Non-compliance	Description
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Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 01-Sep-19 To: 31-Oct-20	Initial Electrical Connection Date (IECD) was recorded for 6 new ICPs more than 10 days after the event Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2	
Audit risk rating	Rationale for audit risk rating	
Low	The controls are recorded as moderate because processes and exception reporting are in place. Impact on settlement outcomes is minor therefore audit risk rating is recorded as low.	
<div>Actions taken to resolve the issue</div> <div>Completion date</div> <div>Remedial action status</div>		
Continue to monitor new connections and connection to the Scanpower network.	On-going	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Implement further controls to ensure electrical connection dates are notified and populated in a timely manner.	31/03/2021	

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, and all traders that are responsible for an ICP on the shared unmetered load have been advised.

Audit observation

The LIS file and the EDA file for the audit period were checked and the new connection process was reviewed and discussed with Scanpower staff.

16 randomly selected new ICP connections were checked.

Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network.

Once the application is approved and the connection fees paid (or deposit where works need to be completed) Scanpower enters new ICP using the registry web interface. Scanpower issues the ICP to the customer or their agent instructing them to engage with a trader.

We followed through 16 new connections and confirm that for all ICPs acceptance was received before the name of a proposed retailer was recorded in the registry.

There was no new shared unmetered load connected on the Scanpower network.

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, or if there is only shared unmetered load at the ICP and each trader has been advised.

Audit observation

The LIS file and EDA file for the audit period were checked and the new connection process was reviewed and discussed with Scanpower staff.

16 randomly selected new ICP connections were checked.

Audit commentary

Customers or their agents apply directly to Scanpower for a new connection to the network.

Once the application is approved and the connection fees paid (or deposit where works need to be completed) Scanpower enters new ICP using the registry web interface. Scanpower issue the ICP to the customer or their agent instructing them to engage with a trader.

According to the process Scanpower waits for a traders' acceptance of an ICP before it connect to its network. As soon as acceptance is received, Scanpower uploads the proposed retailer to the registry. The registry changes the ICP status to "ready".

We followed through 16 new connections and confirm that for all ICPs acceptance was received before the name of the proposed retailer was recorded in the registry.

There was no new shared unmetered load connected on the Scanpower network.

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.*

If the ICP is only shared unmetered load, the distributor must advise the traders of the intention to temporarily connect the ICP unless:

advising all traders would impose a material cost on the distributor, and

in the distributor's reasonable opinion the advice would not result in any material benefit to any of the traders.

Audit observation

This was discussed with Scanpower staff.

Audit commentary

Scanpower has not been asked to temporarily electrically connect any installation.

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 5 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

A check of the NSP table in the registry showed that Scanpower did not have any NSP on its network that was not a point of connection to the grid during the audit period.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

A check of the NSP table in the registry showed that Scanpower did not have any NSP on its network that was not a point of connection to the grid during the audit period

Audit commentary

This clause is not applicable. Compliance was not assessed.

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:

yyyyyyyyyyxxccc where:

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

Audit observation

We reviewed the LIS file and the Audit Compliance report. The new connection process was discussed with Scanpower staff.

Audit commentary

ICP identifiers are created and uploaded to the registry once the new connection application process is completed.

Scanpower uses a unique distributor code, "CA", for all ICPs connected to its network. The ICP number is based on a sequential account number, historically based on meter walks. The ICP identifier always allows for the geographical location of a new connection. The operator adds "CA", then a checksum using Checksum software provided by the Authority. Once it is finalized the ICP number is manually copied to the ICP Database and is then entered into the registry via web interface.

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 registry LIS file was examined. All ICPs with the status “new”, “ready”, “active”, “inactive” have a single loss category code.

Audit commentary

Compliance is confirmed based on a review of the LIS file and the process for ICP creation. The loss category code is assigned to an ICP when it is first uploaded to the registry. The registry design does not allow the assigning of more than a single loss category code to an ICP.

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

We reviewed the LIS and EDA files provided by Scanpower. The new connection process was reviewed.

Audit commentary

All new ICPs are entered into the registry without a proposed trader therefore the registry assigns the status of “new”. We walked through all newly created ICPs and confirm compliance.

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

We reviewed the LIS file and the Audit Compliance report for the audit period.

Audit commentary

The Audit Compliance report showed 2 ICPs with the status “new” (0003404956CAEA5 and 0004907210CA3E3) and 1 ICP 0003903490CAF0F – status “ready”.

ICP 0003404956CAEA5 was noted in last years audit. This was followed up and the retailer requested the ICP status in the registry be changed to “new” until further notice.

ICP 0004907210CA3E3 was also mentioned in lasts year audit. It has had the status “new” in the registry since its creation on 21/06/2017. The proposed woolshed connection has been followed up in the registry with confirmation of the address in 2018 and 2019 via the registry. There is no proposed retailer or retailer accepted responsibility for the ICP the registry.

Scanpower closely follows ICPs which have had the status of “new” and “ready” for longer than 24 months.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.14 With: Clause 15 Schedule 11.1 From: 01-Sep-19 To: 31-Oct-20	1 ICP has remained in the ready status in the registry for more than 24 months. 2 ICPs have remained in the new status in the registry for more than 24 months Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Strong Breach risk rating:1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because processes and exception reporting is in place and monitoring is evident. No impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
ICP 0003903490CAF0F has been changed to “new” until further notice.		16/12/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to monitor and follow up on “new” / “ready” status.		On-going	

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 LIS file was checked.

Audit commentary

Scanpower does not have any embedded generation with a capacity of 10 MW or greater connected to its network.

Audit outcome

Compliant

3.16. Electrical connection of a point of connection (Clause 10.33A)

Code reference

Clause 10.33A(4)

Code related audit information

No participant may electrically connect a point of connection or authorise the electrical connection of a point of connection, other than a reconciliation participant.

Audit observation

The new connections process was reviewed and discussed with Scanpower.

Audit commentary

Traders accept an ICP by sending an email to the service email inbox. Once the trader acceptance has been received Scanpower will update the ICP database and change the ICP status to “ready” in the registry.

Scanpower monitors the service inbox for the inspector and/or metering installer to request the ICP to be connected. A date will be agreed for livening with the inspector and co-ordinated with the metering installer.

Scanpower informs the trader of the agreed network connection date. Scanpower staff carry out the connection to the network on the agreed date and notify the trader of the completed ICP connection and energisation status.

If co-ordination with the meter installer has not been achieved, the ICP may be connected to the network and livened to an agreed disconnect point (locked off and tagged) prior to metering point.

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

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

If the change to the NSP identifier is for more than 10 business days, the notification must be provided no later than the 13th business day and be backdated to the date the change took effect.

In the case of decommissioning an ICP, notification must be given by the later of 3 business days after the registry manager has advised the distributor that the ICP is ready to be decommissioned, or 3 business days after the distributor has decommissioned the ICP.

Audit observation

The Audit Compliance Summary Report and the EDA file for the audit period was reviewed and non-complaint ICPs were analysed.

Activity	Year	Total number of updates	No of updates within 3BD	No of updates later than 3BD	Average notification [BD]	Percentage compliant
Address	2018	7,989	7,986	3		99.9%
	2019	972	972	0		100%
	2020	128	128	0	1	100%
Status (3)	2018	52	0	52		0%
	2019	17	17	0		100%
	2020	21	3	18	48	15%
Pricing	2018	48	45	3		94%
	2019	51	49	2		96%
	2020	74	74	0	1	100%
Network	2018	28	28	0		100%
	2019	103	95	8		93%
	2020	179	175	4	1.5	97.7%

0004709520CA9CF – new ICP was backdated by 11BD, the ICP still has the “new” status. It was excluded from the statistics

0009100000CADDCC - change of name of unmetered load in the pricing filed, an operator forgot to change an event date from 13/8/2014

Overall compliance with this clause is good.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1. With: 8 of Schedule 11.1 From: 01-Sep-19 To: 31-Oct-20	A small number of registry information updates were greater than 3 business days from the event date Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as strong. The exception reporting is place and results are positive. The impact on settlement outcomes is minor therefore the audit risk rating is recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
0009100000CADDCC – date error has been rectified.		16/12/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As this is a manual process human error does occur, will endeavour to be more diligent with data entry.		On-going	

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 Audit Compliance Summary Report and the LIS file for the audit period were reviewed

Audit commentary

We checked the Audit Compliance Summary Report for the audit period and the LIS file. We did not identify incorrect NSP assignments to ICPs.

Audit outcome

Scanpower have only two NSPs on its network. The configuration of the network does not allow them to “shift” ICPs between NSPs.

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

The distributor must advise a customer (or any person authorised by the customer) or embedded generator of the customer or embedded generator's ICP identifier within 3 business days after receiving a request for that information.

Audit observation

The new connections process was discussed with Scanpower.

Queries are received by phone or email service request. Emails are usually responded to on the same day. Phone queries about ICPs are usually dealt with immediately.

Audit commentary

Queries seeking ICP information or clarification are handled directly by the staff providing the connections process, so the responses are usually immediate.

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

We reviewed the Audit Compliance Summary Report for the audit period and the LIS file.

Audit commentary

The Audit Compliance Summary Report identified 72 active ICPs with duplicate addresses.

Further analysis showed that there were 26 actual duplicate addresses that may be difficult to locate due to the following reasons:

- 16 ICPs were residences where there appeared to be multiple dwellings, but no unit numbers populated in the registry
- 8 ICPs were shops with no unit numbers or other identifying features populated in the registry.
- 2 ICPs were offices with no unit numbers or other identifying features populated in the registry

The number of ICPs with duplicate addresses, since the last audit, decreased by 5 ICPs.

- 0006200000CAD9E - decommissioned
- 0005702200CA2C1 - decommissioned
- 0006801500CAA92 - vacant

When a new ICP is created, to avoid incorrect addresses at ICP creation, the location of each proposed connection is checked in the GIS system to confirm its exact location and street number.

Most (83%) of the ICPs with duplicate addresses that may be difficult to locate were created in 1999 and 2000. Scanpower is planning to implement a new GIS system and once it is fully implemented it will populate GPS coordinate in the registry.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 2 of Schedule 11.1 From: 01-Sep-19 To: 31-Oct-20	26 ICPs have duplicate addresses, which makes them difficult to locate 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 recorded as moderate. New connections are confirmed from GIS system, exception reporting has been effective. The project to correct addresses noted in the last audit was not implemented. No impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Address correction is an on-going project. Duplicate addresses decreased by 5 ICPs from last audit.		On-going	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

This is on-going however the implementation of a new GIS system should allow for the population of GPS coordinates for each ICP.	2021	
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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 new connections process was discussed with Scanpower.

Audit commentary

The network connection process requires every proposed connection to the network (ICP) to be verified against the GIS to ensure it has a discrete disconnect point and connection to the network, prior to an ICP being created. There are no known situations where this may occur.

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 for a billing period from metering information collected for that billing period*
 - c) *if there is more than one capacity value at the ICP, and at least one, but not all, of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
 - (i) no capacity value recorded in the registry field for the chargeable capacity; and*
 - (ii) either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
 - d) *if there is more than one capacity value at the ICP, and none of those capacity values can be determined for a billing period from the metering information collected for that billing period-*
 - (i) the annual capacity value recorded in the registry field for the chargeable capacity; and*
 - (ii) either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
 - e) *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

We reviewed the Audit Compliance Summary Report for the audit period and the LIS file.

Audit commentary

We identified the following non compliances:

- 27 ICPs with duplicate addresses
- No UML load details in the distributor field for 1 active ICP
- IECD not recorded in the registry for 3 newly connected ICPs. The number of new ICPs connected during this audit period was 59. IECD not recorded in the registry for 3 of them (5.08 %). They were all corrected at the time of audit.

1. Most of the duplicates are farms with multiple ICPs, the ICPs with duplicate addresses have had additional information added to the property name field in the registry that would assist location. For example, pump – same drive as, cottage.

3. During the last audit period we noted Scanpower updated 16 ICP records in the registry with distributed generation fuel type and generation capacity, however, the connection type was not updated for some ICPs. Since the last audit all of them have been updated.

4 We sampled 9 ICPs with distributed generation (solar). We asked Scanpower to provide COC and ROI for each installation. We compared the date in the registry and on ROI. We identified inconsistencies with which date was recorded. Sometimes it is the date when the information was entered or the date of inspection or the date when the paperwork was received from a contractor.

5. Scanpower relies on its field staff to return the Electrical Safety Certificate (ESC) to the office to trigger the input of the IECD into the registry. The process was unsuccessful for these 3 ICPs. The IECDs were corrected at the time of audit.

6. To validate information in the registry we compared three dates in the registry, the date when the ICP status was changed to “active”, the date of metering installations, and paperwork provided by Scanpower showing when an installation was connected to their network.

ICP	“Active” date	IECD date	Date of Installation certification
0000104910CAB97	20/07/20	20/07/20	20/07/20
0000402650CAE2E	19/08/20	19/08/20	19/08/20
0000405800CA44D	14/10/20	13/10/20	14/10/19
0000603750CAE52	19/12/19	19/12/19	19/12/19
0000801011CA6E6	26/02/20	25/02/20	26/02/20
0000904910CA0E6	23/06/20	17/06/20	23/06/20
0003703750CA1F5	4/12/19	4/12/19	4/12/19
0004405000CA6AB	21/08/20	21/08/20	21/8/20
0004604710CAA7C	3/09/20	3/09/20	03/09/20
0004605401CAE37	20/12/19	20/12/19	20/12/19
0005110283CA18D	5/12/19	5/12/19	5/12/19
0005110285CA002	28/05/20	28/05/20	28/05/20
0005900855CA4DA	25/09/20	25/09/20	25/09/20
0005901610CAC9B	6/11/20	6/11/20	6/11/19
0006204990CADF0	15/07/20	15/07/20	15/07/20
0008502000CA19A	30/11/20	30/11/20	30/11/20
0000112040CA7B7	25/09/20	23/09/20	25/09/20

For 4 ICPs the Initial Electrical Connection date is earlier by one or more days than the date the ICP becomes “active” in the registry. It is the result of the process used by Scanpower according to which the ICP may be connected to the network and livened to an agreed disconnect point (locked off and tagged) prior to the metering point. Metering is installed at a later date by a MEP contractor.

We don’t agree with this process. The definition of “electrically connect” in Part 1 of the Code is:

***electrically connect** means to operate a device so that **electricity** is able to flow, including through a **point of connection**, and **electrically connected**, **electrically connecting**, **electrical connection**, and similar phrases have corresponding meanings*

To meet the Code requirements the IEDC date should be the same as the date of the status “active” assigned by a trader.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: 7(1)(m)(o)(p) of Schedule 11.1 From: 01-Sep-19 To: 31-Oct-20	Incorrect or missing information in the registry for ICP addresses, UML, Initial Electrical Connection Date, and connection of embedded generation (solar) to the network 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	The controls are recorded as weak. During the audit evidence was produced showing exception reporting in place and plans to correct historical errors but there is no consistent procedure for which date is used as connection of solar to the network. Minor impact on settlement outcomes. Audit risk rating recorded as low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Continue working with installers to gain accurate installation date confirmation.		On-going	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Review DG population process to identify ways to improve accuracy.		31/03/2021	

Recommendation	Description	Audited party comment	Remedial action
Set up a procedure for populating a connection date of embedded generation in the registry	No consistent procedure for which date is used as a connection date of embedded generation to the network	Connection date of DG if difficult to administer, in most cases ROI is provided at which date the DG is connected, this date is normally used to populate the registry however may not necessarily coincide with the meter install date.	Develop a consistent procedure for populating DG date in registry.

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 new connections process was reviewed and discussed with Scanpower. The Audit Compliance report was checked and showed no discrepancies.

Audit commentary

Scanpower assigns the actual price category code to the ICP at the time an ICP identifier is created and uploaded to the registry.

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 LIS file dated 19/11/2020 was checked.

Audit commentary

Scanpower do not populate GPS coordinates in the registry. This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The new connection process was discussed with Scanpower and LIS file and EDA files were checked.

16 randomly selected ICPs, with updates to the status “ready” in the registry during the audit period, were checked.

Audit commentary

We followed through 16 new connections and confirm that for all ICPs acceptance was received before the name of a proposed retailer was recorded in the registry.

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 LIS file was checked. This was discussed with Scanpower.

Audit commentary

There were no ICPs with the status of “distributor” representing shared unmetered load or a connection to an embedded network during this audit period.

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 process for decommissioning ICPs was checked using the Audit Compliance Summary Report for the audit period. The decommission process was discussed with Scanpower.

We randomly checked a randomly selected sample of 10 ICPs that had been decommissioned during the audit period.

Audit commentary

Trader email requests for ICPs to be decommissioned to the Scanpower service inbox. A Scanpower faultman will be dispatched to carry out the decommission and the completion documentation returned to the Scanpower office. The Scanpower ICP database will be updated with the decommission date and the retailer updated via email. Scanpower monitors the registry and when the retailer changes the ICP status to “inactive ready for decommissioning” Scanpower will update the registry status of the ICP to “decommissioned”.

The review of paperwork provided by Scanpower showed that for 5 of them there was a discrepancy between the date recorded on the paperwork and the date of changing an ICP status to “decommissioning” in the registry. Closer investigation showed that dates of changing the ICP status to “ready for decommissioning” were incorrect. Probably they are dates entered by traders which reflect when meters were removed. The registry design precludes Scanpower to enter an earlier date, which would more be correct.

ICP	Paperwork	Registry date	Cent
0004302760CA732	28/04/2020	06/05/2020	Incorrect event date entered by MERI
0004400650CAF85	05/06/2020	08/07/2020	Incorrect date entered to the registry, it is the date when the registry was updated

0004508250CAAE8	20/05/2020	26/05/2020	Incorrect event date entered by MERI
0006602000CA761	14/10/2019	20/11/2019	Incorrect event date entered by GEOL
0007601400CAF39	12/11/2019	09/12/2019	Incorrect event date entered by MERI

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: 20 of Schedule 11.1 From: 01-Sep-19 To: 31-Oct-20	Incorrect decommissioning date in the registry for 1 ICP Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are recorded as strong. The process is well control. Scanpower depends on traders to assign to an ICP the status “inactive-ready for decommissioning” and what date is used as event date. No impact on settlement outcomes. The issue is Audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Traders need to use the date supplied by SCAN for the actual decommission not the meter removal date.		On-going	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to monitor this process, as Scanpower does not remove metering at the time of the physical disconnection from the network.		On-going	

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

Each entry must specify the date on which each price category code takes effect, which must not be earlier than 2 months after the date the code is entered in the table.

A price category code takes effect on the specified date.

Audit observation

The Price Category table in the registry was examined.

Audit commentary

There were no new Price Categories recorded in the registry during the audit period.

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 Code table held by the registry was checked during this audit.

Audit commentary

Scanpower did not create any new Loss Category Codes to the registry during the audit period. There have been no new entries since 1999.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

Each loss category code must have a maximum of 2 loss factors per calendar month. Each loss factor must cover a range of trading periods within that month so that all trading periods have a single applicable loss factor.

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

Audit observation

We checked the Loss Factor table in the registry and confirm that no updates to loss factor codes were uploaded to the registry since the last audit.

Audit commentary

No updates to loss factor codes were uploaded to the registry. Loss factors have a single value for a whole year, which covers a range of trading periods. There are no separate loss factors for summer or winter.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

If the distributor is creating or decommissioning an NSP that is an interconnection point between 2 local networks, the distributor must 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 2 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

We checked the NSP table in the registry. During the audit period Scanpower did not create a new or decommission an NSP.

Audit commentary

We confirmed by checking the NSP table in the registry that no new NSP was created and no NSP was decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

As described in the previous section Scanpower has not created a new NSP during the audit period. The reconciliation manager was not asked to create a unique NSP identifier.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

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

During the audit period Scanpower did not create any new NSPs.

Audit commentary

This clause is not applicable. 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 1 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

During the audit period Scanpower did not create any new NSPs or transfer an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor.

Audit commentary

During the audit period Scanpower did not become the owner of an embedded network.

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 3 business days after the change takes effect.

Audit observation

We examined the NSP mapping table in the registry.

Audit commentary

Scanpower has two balancing areas, DANNEVKSCANG and WOODVLLSCANG. There were no changes to balancing areas.

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 1 month before the transfer.

Audit observation

There was no transfer of an ICP which resulted in an ICP becoming an NSP at which an embedded network connected to a network.

Audit commentary

Compliance confirmed based on a statement from Scanpower.

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 3 business days before the transfer takes effect.

Audit observation

There were no transfers of any ICPs since the last audit.

Audit commentary

This clause is not applicable. 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 1 or more metering installations (Clause 10.25(1)(a)); and*
- *the electricity is conveyed and quantified in accordance with the Code (Clause 10.25(1)(b))*

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

During this audit period Scanpower did not have any NSPs which they are responsible for that are not connections to the grid.

Audit commentary

This clause is not applicable. 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

During this audit period Scanpower did not have or create any NSPs which they are responsible for that are not connections to the grid.

Audit commentary

This clause is not applicable. 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 1 month notification is required before the acquisition (Clause 29(2) of Schedule 11.1).

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

Audit observation

During this audit period, Scanpower did not acquire all or part of a new network.

Audit commentary

This clause is not applicable. 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

Scanpower does not have any and is not responsible for any embedded networks.

Audit commentary

This clause is not applicable. 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

Scanpower did not establish any embedded networks during this audit period.

Audit commentary

This clause is not applicable. 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

Scanpower did not establish any embedded networks during this audit period.

Audit commentary

This clause is not applicable. 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

We reviewed the LIS file to assess if there is any shared unmetered load connected to the network.

Audit commentary

Scanpower has no shared unmetered load on its network.

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 LIS file was reviewed. There is no shared unmetered load.

Audit commentary

This clause is not applicable. Compliance was not assessed.

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

We reviewed Scanpower's disclosure information and discussed this with Scanpower staff. There has been no change to the loss factors during this audit period.

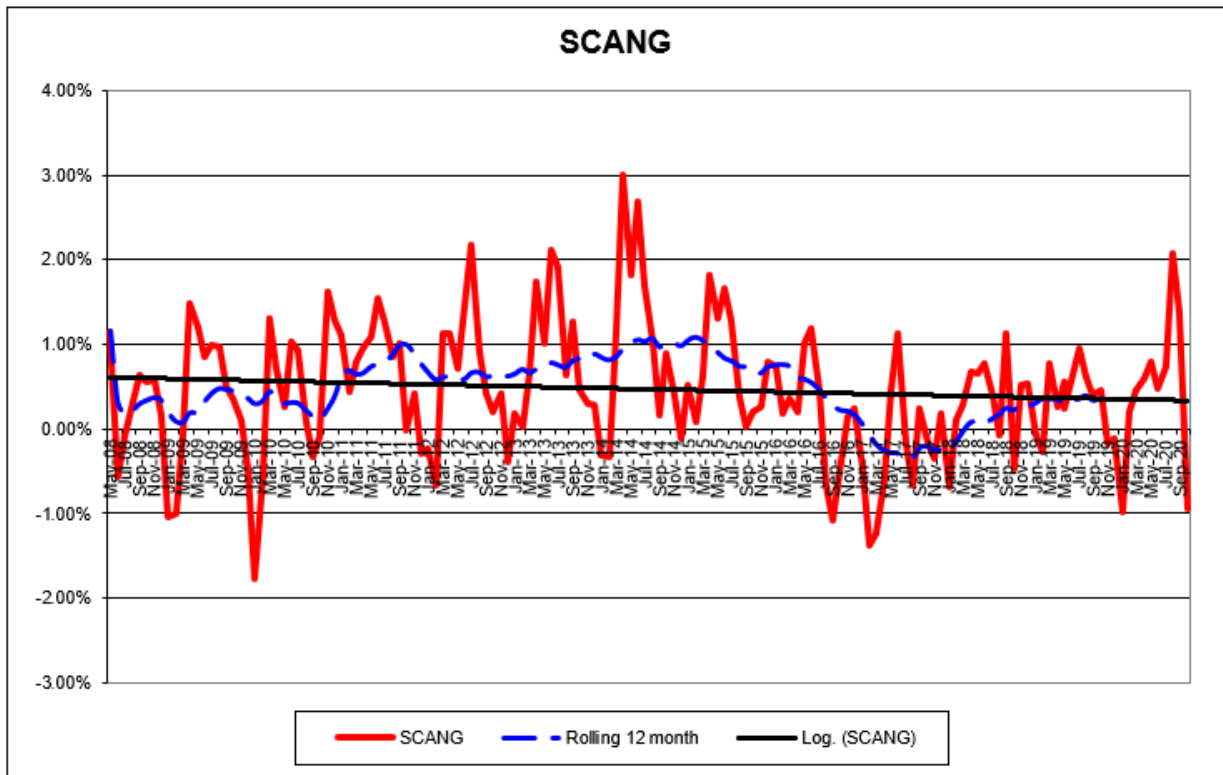
Audit commentary

Scanpower monitors losses periodically and with a drop in load and UFE trending down there have been no changes to the three loss factors in recent times. Scanpower's average network losses are 7.2% We confirmed that Scanpower published the loss factor and network losses on their website (in the pricing schedule and asset management plan).

Below are shown graphs of UFE on the network. 14 months UFE is 0.3%. According to the Guidelines on the calculation and use of loss factor for reconciliation purposes published 26/06/2018, UFE is expected to be within $\pm 1\%$ over the course of any 12 months period so Scanpower's UFE is within that range.

UFE% by Network calculator

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Audit outcome

Compliant

CONCLUSION

PARTICIPANT RESPONSE

Overall, the audit was well received.

Further comment/opinion on IECD:

Scanpower does not install metering, this is carried out by a MEP contractor and for new connections it is not always possible to have a Scanpower livening agent on site at the same time as the metering contractor in this instance a date is agreed for when the meter will be installed, on this date the Scanpower livening agent will attend site, connect, and liven to a sealed off main isolator. In some cases, it has become apparent that for reasons out of our control the meter installer has not attended on the agreed date.

My reading of 3.7 in the *Connection and Electrical Connection Guidelines* is that we can connect and liven to an isolation device in advance of the meter being fitted but the IECD is the date at which the meter is installed. This being the case Scanpower needs to actively monitor the registry for the meter install (as this is done by a MEP contractor) and populate the date accordingly or attend site at the same time as the meter installer to liven.

Scanpower will work to improve procedures around IECD.

Scanpower endeavours to always comply with the code.

