ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT

VERITEK

For

ELECTRICITY ASHBURTON LIMITED

EA networks

Prepared by: Rebecca Elliot

Date audit commenced: 14 June 2021

Date audit report completed: 20 July 2021

Audit report due date: 28 August 2021

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EXECUTIVE SUMMARY

This Distributor audit was performed at the request of **Electricity Ashburton Limited (EA Networks),** 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 V7.2, which was produced by the Electricity Authority.

EA Networks have good controls in place for most processes. Robust processes and prompt and accurate update of information is treated as a priority. Reporting and management of the reports is strong, data accuracy issues identified are promptly resolved.

The remaining small number of new ICP's that have been created to accommodate an ICP split require monitoring and follow-up. These ICP's are appearing on a number of exception reports, these should be followed up to ensure the trader accepts responsibility. EA Networks has nominated the existing trader and expects that they will accept responsibility for these split ICPs. They must follow up with the customer where a trader is unable to create the new ICP or does not accept responsibility.

Overall, the level of compliance is high, and controls generally found to be strong. The audit found eight non-compliances and makes three recommendations. The audit risk rating is 12, and the next audit frequency table indicates that the next audit be due in 12 months. I have considered this in conjunction with EA Network's responses and agree with this recommendation.

The matters raised are shown in the table below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	The registry was not updated prior to commencement of trading for 16 ICPs.	Moderate	Low	2	
Connection of ICP that is not an NSP	3.6	11.17	ICP 0000012230EA09F did not have a trader recorded on the registry on the date it was electrically connected.	Strong	Low	1	
Connection of ICP that is not an NSP	3.7	10.31	16 ICPs connected without acceptance of the nominated trader.	Strong	Low	1	
Monitoring of 'new' and 'ready' statuses	3.14	15 Schedule 11.1	16 ICPs at "new" or "ready" status not followed up with the nominated trader.	Moderate	Low	2	
Changes to registry information	4.1	8 Schedule 11.1	24 late address events. Two late network updates to distributed generation details. Seven late network updates to fields other than distributed generation details. 23 late pricing events. 15 late updates to decommissioned status.	Moderate	Low	2	
ICP location address	4.4	2 Schedule 11.1	One ICP without a readily locatable address	Strong	Low	1	Cleared
Distributors to Provide ICP Information to the Registry man	4.6	7(1) Schedule 11.1	Unmetered load information is not recorded on the registry for ICP 0000034224EA735.	Moderate	Low	2	

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Management of "ready" status	4.9	14 of schedule 11.1	16 ICPs recorded as "ready" but no acceptance has been received from the trader recorded in the registry.	Strong	Low	1	
					Future Risk Rating	12	

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
Distributors to Provide ICP Information to the Registry manager	4.6	Unmetered load details	Ensure unmetered load details are recorded on the registry for any new unmetered load connections.
		Initial Electrical Connection Date	EA Networks align the IECD date with the trader's date for the ICP's that are split.
Removal or breakage of seals	2.3	Managing bridging of load control	Ensure all personnel engaged in load control device bridging are qualified to perform the bridging and sealing activities.
			Prepare and maintain a training and competency schedule for all relevant personnel.
			Ensure that re-sealing occurs when bridging activities are conducted by non-ATH approved personnel.
			Ensure MEPs are notified as well as traders that bridging has occurred.

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.

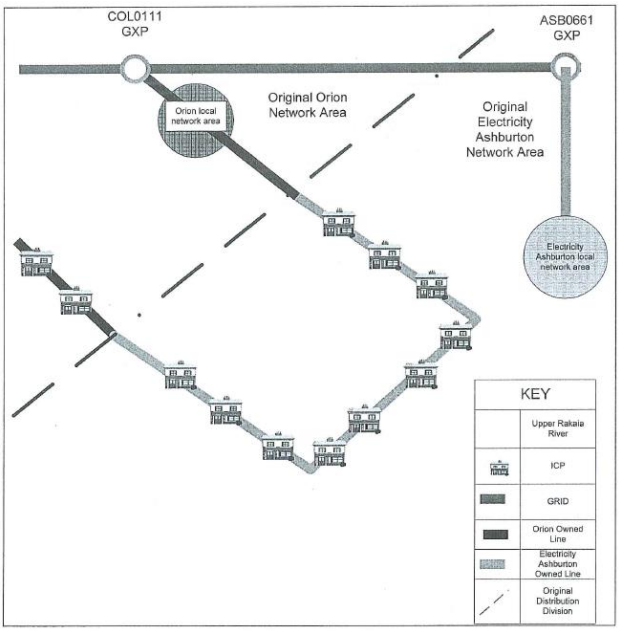
Audit commentary

Exemption number 163 exempts EA Networks from complying with clauses 10.3(f)(i) and 15.38 in relation to an embedded network connected to the Orion Network and expires on 31/05/2023.

- Clause 10.3(f)(i) relates to the provision of a metering installation at the point of connection for the embedded network.
- Clause 15.38 relates to certification as a reconciliation participant.

The exemption notes that "EASH has in place a materially accurate method to calculate consumption for settlement".

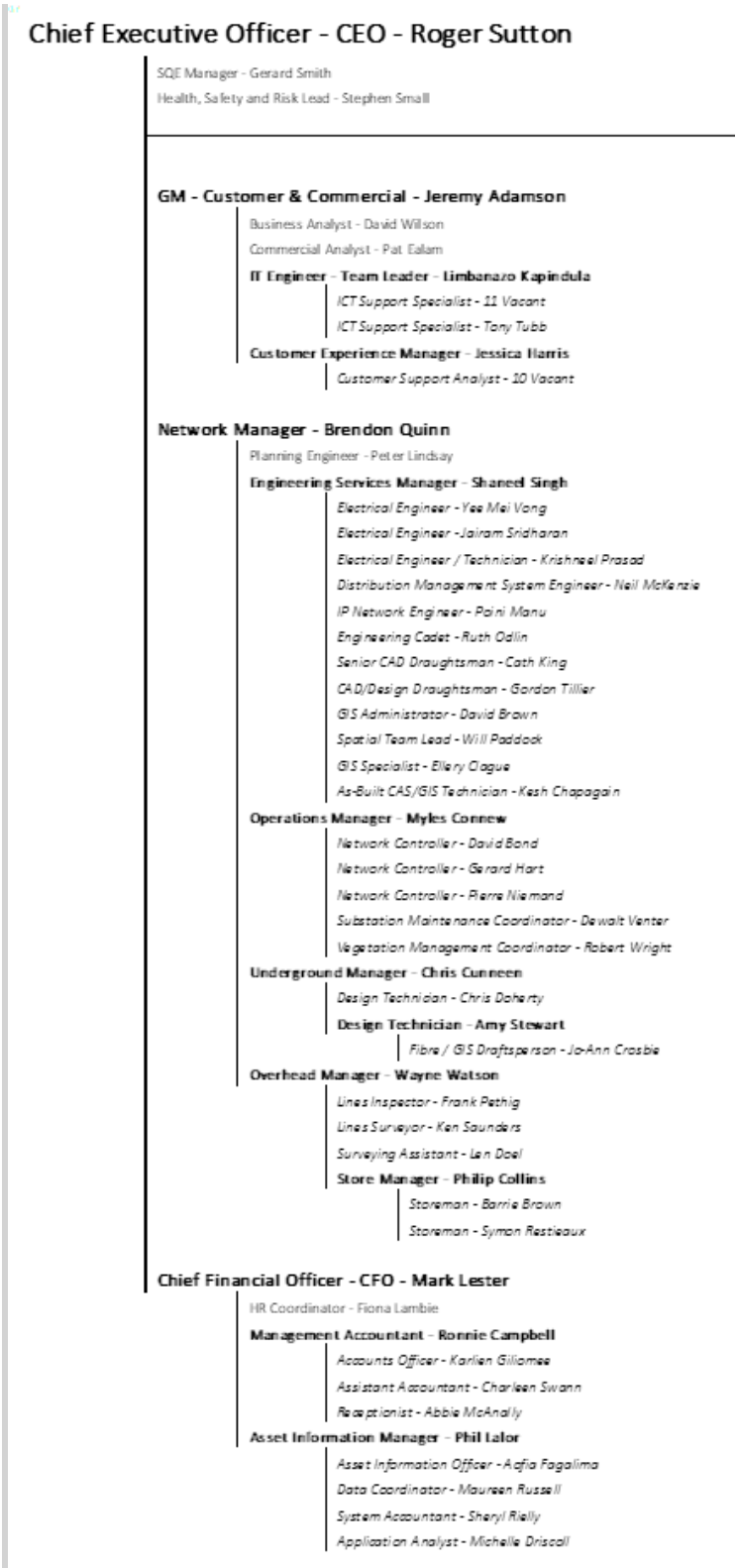
The diagram below shows the embedded network and shows two ICPs connected to the embedded network which are physically in the Orion area.



EA Networks is working with the Department of Conservation to arrange installation of a gateway meter, they have resource consent for this. The work can only be completed in April and May, the poles are in place, the new lines have not been slung, the gateway meter is on site but not connected. Due to the recent floods in the area, the work was not able to be completed and is expected to be done in April/May 2022.

1.2. Structure of Organisation

Electricity Ashburton provided an organisational structure.



1.3. Persons involved in this audit

Auditor:

Name	Company	Role
Rebecca Elliot	Veritek Limited	Lead Auditor
Claire Stanley	Veritek Limited	Supporting Auditor

EA Networks personnel assisting in this audit were:

Name	Title
David Wilson	Business Analyst
Dave Peacock	Electrical Services Manager
Wayne Watson	Overhead 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

All activities are completed directly by EA Networks.

1.5. Supplier list

All activities are completed directly by EA Networks.

1.6. Hardware and Software

The EA Networks Customer Information System is a bespoke system used by EA Networks to manage their data and processes.

The Access based Assets Database is used as a GIS and links to QuickMap.

Access to systems is restricted using logins and passwords. Backups are carried out, and some backup copies are stored off site.

1.7. Breaches or Breach Allegations

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

1.8. ICP and NSP Data

EA Networks owns and operates the electricity network in the Ashburton region.

EA Networks NSPs

The table below lists the relevant NSPs and their associated balancing areas, and the number of active ICPs connected. Embedded network URK0111 is discussed further in **section 1.1**.

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	Number of ICPs
ASB0661	ASHBURTON			ASHBURTEASHG	G	01-05-08	20,149
URK0111	UPPER RAKAIA	COL0111	ORON	UPPERAKEASHE	E	01-05-08	13

Networks embedded under EA Networks NSPs

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date
TENC	TAC0011	250 Tancred Street ASHBURTON	ASB0661	EASH	TAC0011TENCE	E	01-07-19

ICP status

EA Networks' ICPs are summarised by status in the table below:

Status	Number of ICPs (2021)	Number of ICPs (2020)	Number of ICPs (2019)
New (999,0)	-	60	326
Ready (0,0)	32	143	11
Active (2,0)	20,149	19,726	19,528
Distributor (888,0)	2	2	-
Inactive – new connection in progress (1,12)	38	38	25
Inactive – electrically disconnected vacant property (1,4)	240	254	255
Inactive – electrically disconnected remotely by AMI meter (1,7)	20	25	27
Inactive – electrically disconnected at pole fuse (1,8)	4	3	2
Inactive – electrically disconnected due to meter disconnected (1,9)	2	6	3
Inactive – electrically disconnected at meter box fuse (1,10)	2	2	2

Status	Number of ICPs (2021)	Number of ICPs (2020)	Number of ICPs (2019)
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	1	18	21
Inactive – reconciled elsewhere (1,5)	-	-	-
Decommissioned (3)	2,665	2,503	2,228

1.9. Authorisation Received

A letter of authorisation was received.

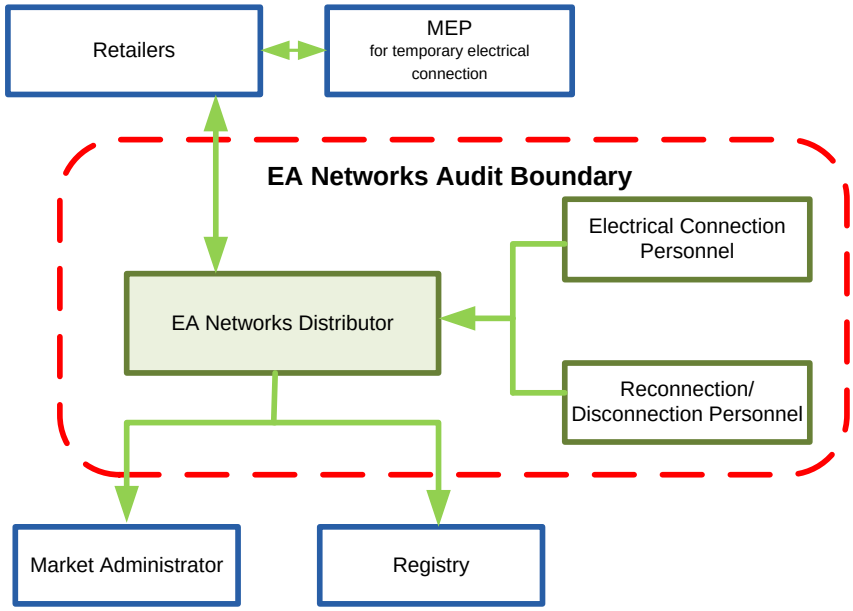
1.10. Scope of Audit

This Distributor audit was performed at the request of EA Networks, 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 V7.2, which was produced by the Electricity Authority.

The table below shows the tasks under clause 11.10(4) of Part 11, which EA Networks 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 is shown in the diagram below, with the EA Networks audit boundary shown for clarity.



1.11. Summary of previous audit

EA Networks provided a copy of their previous audit, conducted in May 2020 by Tara Gannon of Veritek Limited. The matters raised are detailed in the table below, and further comment is made in the relevant sections of this report.

Table of Non-compliance

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	11.2(1)	Not all practicable steps are taken to ensure that the information provided is complete and accurate.	Cleared
Requirement to correct errors	2.2	11.2(2) and 10.6(2)	Correction of data does not consistently occur as soon as practicable.	Cleared
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	The registry was not updated prior to commencement of trading for 24 ICPs.	Still existing
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 five ICPs.	Cleared

Subject	Section	Clause	Non-compliance	Status
Connection of ICP that is not an NSP	3.6	11.17	ICP 0000033944EAFAB did not have a trader recorded on the registry on the date it was electrically connected.	Cleared
Management of "new" status	3.13	13 Schedule 11.1	57 ICPs are incorrectly recorded with "new" status when they are not new connections in progress.	Cleared
Changes to registry information	4.1	8 Schedule 11.1	53 late address events. Ten late network updates to distributed generation details. 72 late network updates to fields other than distributed generation details. 26 late pricing events. Four late updates to decommissioned status. One late NSP change.	Still existing

Subject	Section	Clause	Non-compliance	Status
Distributors to Provide ICP Information to the Registry man	4.6	7(1) Schedule 11.1	Street number was not recorded in the correct field for the 17 ICPs, which were corrected during the audit.	Cleared
			57 ICPs are incorrectly recorded with "new" status when they are not new connections in progress.	Cleared
			Three ICPs had incorrect distributed generation capacities recorded, all were corrected during the audit. One ICP had an incorrect distributed generation event date recorded.	Cleared
			Three active ICPs created prior to the audit period did not have an initial electrical connection date populated. The registry was updated to the correct date during the audit.	Cleared
			Two active ICPs created prior to the audit period had incorrect initial electrical connection dates populated. Both were corrected during the audit.	Cleared
			One ICP at ready status had an incorrect initial electrical connection date recorded and was corrected during the audit.	Cleared
			Unmetered load information is not recorded on the registry for six ICPs where EA Networks is aware DUML exists. As a minimum "DUML" is expected to be recorded in the distributor unmetered load details.	Cleared
			Eight network events had incorrect event dates applied.	

Subject	Section	Clause	Non-compliance	Status
Maintenance of price category codes	4.12	23 Schedule 11.1	Price category ISCM was created on the registry on 23/09/19, which was less than two months before the price category came into effect on 01/11/19.	Cleared

Table of Recommendations:

Subject	Section	Description	Status
Timeliness of Provision of ICP Information to the registry manager	3.4	To improve compliance for ICP splits, updates to initial registry information (excluding the initial electrical connection date) should occur as soon as the record values can be confirmed instead of waiting until the connection paperwork is received after initial electrical connection.	Still existing
Management of "decommissioned" status	4.11	Follow up ICPs which have been moved to "ready for decommissioning" status without an application being received from the trader.	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 31/05/2021, and the combined registry compliance audit reports covering the period from 01/06/2020 to 31/05/2021 were examined to confirm compliance.

Audit commentary

Registry synchronisation

The EA Networks Customer Information System automatically sends updates to the registry when data that is also held in the registry changes.

- When a new connection is created, the registry update is held until all the required information has been populated, including the proposed trader. The update is sent the first evening where all the information is populated, as described in **section 3.2**.
- When a change is made, a ten-minute timer starts. The updated record is sent to the registry ten minutes after the change is made if there is no further activity.

Reversals of events are processed manually on the registry, and then imported into the EA Networks Customer Information System.

The EA Networks Customer Information System retrieves information from the registry daily. On weekdays at 4.30am, an automated request to the registry retrieves all events since the last request was sent. Once received, the EA Networks Customer Information System imports the event detail file, along with registry notifications, acknowledgements, and metering event files received since the last import. The process ensures that the system only imports files that it has not received before, and that events are processed in the correct order. A check is conducted to ensure that all files have been imported. Acknowledgement numbers are recorded against the event, and the event will automatically be resent if acknowledgement is not received.

Registry validation

A suite of registry validation reports are run daily, and any exceptions identified are reviewed and resolved.

Audit outcome

Compliant

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

EA Networks' data management processes were examined.

The registry list file as at 31/05/2021, and the combined registry compliance audit reports covering the period from 01/06/2020 to 31/05/2021 were examined to confirm compliance.

Audit commentary

EA Networks have robust validation processes in place. Registry notification files are checked daily, and the audit compliance reporting is used to check for discrepancies. Any corrections required are made as soon as practicable.

Audit outcome

Compliant

2.3. Removal or breakage of seals (Clause 48(1A) and 48(1B) of Schedule 10.7)

Code reference

Clause 48(1A) and 48(1B) of Schedule 10.7

Code related audit information

If the distributor provides a load control signal to a load control switch in the metering installation, the distributor can remove or break a seal without authorisation from the MEP to bridge or unbridge the load control device or load control switch – as long as the load control switch does not control a time block meter channel.

If the distributor removes or breaks a seal in this way, it must:

- *ensure personal are qualified to remove the seal and perform the permitted work and they replace the seal in accordance with the Code*
- *replace the seal with its own seal*
- *have a process for tracing the new seal to the personnel*
- *notify the metering equipment provider and trader*

Audit observation

The PR-255 file was examined to determine if there were examples of load control switches on the EA Network. The management of removal and breakage of seals was examined.

Audit commentary

EA Networks may bridge load control switches if a trader provides a service request. This work is normally conducted as a contractor to traders, not as a Distributor. The bridging, unbridging and sealing work is conducted under the umbrella of several Approved Test Houses (ATHs), with the EA technicians being approved by those ATHs. There are sometimes examples where load control switches are bridged after hours or as a result of direct contact from a customer. In these cases, the work is not conducted

under an ATH umbrella and is conducted by EA Networks. Whilst no examples of these types of jobs were identified during the audit, I recommend EA Networks takes the following steps to ensure future compliance:

1. Ensure all personnel engaged in load control device bridging are qualified to perform the bridging and sealing activities.
2. Prepare and maintain a training and competency schedule for all relevant personnel.
3. Ensure that re-sealing occurs when bridging activities are conducted by non-ATH approved personnel.
4. Ensure MEPs are notified as well as traders that bridging has occurred.

Recommendation	Description	Audited party comment	Remedial action
Load control switch bridging	Ensure all personnel engaged in load control device bridging are qualified to perform the bridging and sealing activities.	EA Networks will ensure all EA Networks employed staff and contractors engaged in load control device bridging are qualified to perform the bridging and sealing activities.	Identified
	Prepare and maintain a training and competency schedule for all relevant personnel.	EA Networks will prepare and maintain a training and competency schedule for all EA Networks employed staff and contractors. This preparation of schedules and training will be completed by August 2022.	Identified
	Ensure that re-sealing occurs when bridging activities are conducted by non-ATH approved personnel.	Ensure that re-sealing occurs when bridging activities are conducted by non-ATH approved EA Networks employed staff and contractors.	Identified
	Ensure MEPs are notified as well as traders that bridging has occurred.	EA Networks will ensure MEPs are notified as well as traders that bridging has occurred by any EA Networks employed staff and contractors.	Identified

Audit outcome

Compliant

2.4. Provision of information on dispute resolution scheme (Clause 11.30A)

Code reference

Clause 11.30A

Code related audit information

A distributor must provide clear and prominent information about Utilities Disputes:

- *on their website*
- *when responding to queries from consumers*
- *in directed outbound communications to consumers about electricity services and bills.*

If there are a series of related communications between the distributor and consumer, the distributor needs to provide this information in at least one communication in that series.

Audit observation

The Disputes Resolution information was examined for EA Networks to determine compliance. The EA Networks' website was checked, correspondence to consumers was provided by EA and the phone messaging for EA was examined.

Audit commentary

All of these provided clear and prominent information about Utilities Disputes for the consumer, including contact details and links to the Utilities Disputes website. The link on the EA website is provided by selecting 'Complaints'.

Audit outcome

Compliant

3. CREATION OF ICPS

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

The new connection process was examined in detail and is described in **section 3.2** below. Ten new connection applications of the 326 created were sampled using diverse characteristic methodology from the point of application through to when the ICP was created. This included two ICP's with distributed generation associated.

None of the new connections had unmetered load connected.

Audit commentary

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

I followed up the three private streetlights recorded in the last audit that did not have an ICP allocated.

Road Name	ICP Code	Lamp Model	Total Wattage	2020 comment	2021 comment
MCMURDO STREET	PRIVATE	MV 125W	135	An ICP has been created. The unmetered load is connected to ICP 0000025557EA8EB, which also has some metered load.	Advised by EA Networks that these lights were removed week of 05/07/2021. The trader has yet to remove this unmetered load from the trader's details.
TINWALD DOMAIN ROAD3	PRIVATE	SON 100W	114	It was previously noted that these lights are located at the Tinwald Domain camping ground. Investigation had been completed and these lights could be metered through the camping ground's main switchboard. EA Networks intends to arrange this with the trader. Confirmation of this remains outstanding.	Advised by EA Networks that these lights are metered and are included on ICP0000023713EA483. EA confirmed they are being reconciled as part of the metered load.
TINWALD DOMAIN ROAD3	PRIVATE	SON 100W	114		

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. Ten new connection applications of the 326 ICPs created since 01/06/20 were checked to determine whether the ICPs had been created within three business days of a request by a trader. The sample included various traders.

Audit commentary

EA Networks receives most applications for new connections from customers or their agents. EA Networks manage the new connections within the EA Networks Customer Information System and attach scanned copies of the associated paperwork to the relevant ICP.

When a new connection is created, the registry update is held until all the required information has been populated, including the proposed trader. The proposed trader is populated when the trader has accepted responsibility for the ICP. The status, pricing, address, and network updates for new ICPs are sent at 6pm on the first evening where all the information is populated. Acknowledgement files imported the following morning confirm that the registry has been successfully updated.

ICPs are created at the "Ready" status, and new ICPs are electrically connected by EA Networks.

The ten new connections checked were all requested by the customer's electrician. None of the requests were received from the trader and this clause did not apply.

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

Ten new connection applications of the 326 ICPs created since 01/06/20 were checked from the point of application through to when the ICP was created, to confirm the process and controls worked in practice.

Audit commentary

Registry population is automated, the file includes all relevant fields. Registry response information is checked to ensure the information is successfully sent. 326 ICPs were created during the audit period. All ICPs had the required information populated as required by this clause. The accuracy of this information is detailed in **section 4.6**.

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 new connection process was examined. The registry list for 31/05/21 and the registry compliance audit report covering the period from 1/06/20 to 31/05/21 were examined to determine the timeliness of the provision of ICP information for new connections.

Audit commentary

The process for updating the registry is automated for all fields, and the update occurs on a nightly basis. There were 326 new ICPs created since 01/06/20, and 278 of those were initially electrically connected during the audit period.

The audit compliance report identified 16 of the 278 ICPs (94.2% compliance) were made ready after electrical connection had occurred. These were examined and found:

- 15 ICPs are where the ICP has been split. This is a paperwork exercise to move the metering to a separate metering point. These were updated to ready when the connection paperwork was received post initial electrical connection.
- The other ICP 0000012230EA09F was made active when an electrically connected meter was found in the field which had no active ICP recorded. This ICP was created on 03/12/2002 at "ready" for an effective date of 01/04/1999. The ICP was moved to "new" on 20/10/2008. The meter photo indicates that it was certified on 04/04/2006. The registry records the meter certification as 10/09/2019. The ICP was updated to 'active' from the 25/02/2021. The ICP should have been back dated at least 14 months for the trader to reconcile the volume across the available revision period. This will be examined during the trader's audit.

The late population of initial ICP information is recorded as non-compliance below. The timeliness of the provision of initial electrical connection dates is discussed separately in **section 3.5**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 01-Jun-20 To: 31-May-21	The registry was not updated prior to commencement of trading for 16 ICPs. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	Controls are rated as moderate overall. The general controls over new connections are strong and have improved now that paperwork is scanned and emailed, instead of hard copies being provided. The controls over ICP splits are weaker, because typically EA Networks has waited for connection paperwork to be provided before updating the ICP to "ready" on the registry. The audit risk rating is low, a small number of ICPs were affected.

Actions taken to resolve the issue	Completion date	Remedial action status
We have undertaken a review of EA Networks processes to identify how the non-compliance occurred.	August 2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
The process has been changed to treat ICP splits in the same manner as new connections in that Documents are scanned and emailed to improve the timeliness of updating the Registry.	August 2021	

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 new connection process for populating all required registry fields was examined. The registry list for 31/05/21 and the combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were examined to determine the timeliness of the provision of the initial electrical connection date.

Audit commentary

Connection paperwork is received for each new connection, and the registry is updated once this is received. There is daily reporting is in place to identify active ICPs without an initial electrical connection date as part of the registry validation process. Compliance is confirmed for clause 11.1 because all updates were completed on time.

The accuracy of the initial electrical connection dates is discussed in **section 4.6**.

Audit outcome

Compliant

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The new connection process was examined in **section 3.2**. The registry list for 31/05/21 and the combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were examined.

Audit commentary

The new connection process requires applications to be approved by traders. Connection applications are emailed to the proposed trader for approval. On receipt of a return email confirming approval, the proposed trader is updated in the EA Networks Customer Information System.

When new ICPs are created in the database the registry update is held until all information required has been provided, including the proposed trader.

Review of the registry list confirmed that a trader is currently recorded for all active ICPs

As discussed in **sections 3.14** and **4.9,** 16 ICPs have been split and are still at the "ready" status. 15 of these have an initial electrical connection date recorded indicating that these should have been moved to active by the nominated trader. EA Networks has nominated the existing trader and expects that they will accept responsibility for these split ICPs. EA Networks must have acceptance from the trader for these ICPs. If the trader does not accept responsibility, EA Networks must advise the customer to arrange a new trader to accept the ICP. I note that ICP 0000012855EA82A has Electric Kiwi as the nominated trader, but this trader does not undertake new connections. The recording of a nominated trader when no acceptance has been received is recorded as non-compliance in **sections 3.7** and **4.9**.

ICP 0000012230EA09F was updated to "ready" on 05/03/21 with the nominated trader, for an electrical connection date of 25/02/21. This is discussed further in **section 3.4**.

A review of the registry list confirmed that there is no known shared unmetered load on EA Networks' network.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.6 With: Clause 11.17 From: 01-Jun-20 To: 31-May-21	ICP 0000012230EA09F did not have a trader recorded on the registry on the date it was electrically connected. 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 rated as strong because one exception was identified, which was backdated at the trader's request. The audit risk rating is low because the proposed trader had requested the connection and accepted responsibility, and the registry was updated within ten business days of initial electrical connection.

Actions taken to resolve the issue	Completion date	Remedial action status
We have undertaken a review of EA Networks processes to identify how the non-compliance occurred.	August 2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
EA Networks will advise Customers of ICP splits where the trader has not accepted responsibility for an ICP that must arrange for a New Retailer. It should be noted that these ICP splits were done to meet regulatory requirements and it is EA Networks experience that the issue is not generally with the trader, the issue is with the end Customer not accepting the ICP split. EA Networks will review each of remaining ICP Splits and work with Customers, Traders, and MEP to resolve this issue.	August 2022	

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. The registry list for 31/05/21 and the combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were examined.

Audit commentary

As discussed in **section 3.2**, EA Networks has a step in the new connections process to ensure a trader accepts responsibility and is recorded in the registry. As discussed in **section 3.6**, 6 ICPs have been split and are still at the "ready" status. 15 of these have an initial electrical connection date recorded indicating that these should have been moved to active by the nominated trader. EA Networks has nominated the existing trader and expects that they will accept responsibility for these split ICPs. EA Networks must have acceptance from the trader for these ICPs. If the trader does not accept responsibility, EA Networks must advise the customer to arrange a new trader to accept the ICP. I note that ICP 0000012855EA82A has Electric Kiwi as the nominated trader, but this trader does not undertake new connections. The recording of a nominated trader when no acceptance has been received from the nominated trader is recorded as non-compliance. If EA Networks have confirmed acceptance of any of these ICPs please provide and we will reflect this in the audit report.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.7 With: Clause 10.317 From: 01-Jun-20 To: 31-May-21	16 ICPs connected without acceptance of the nominated trader. 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 rated as strong as these are historical connections that are being corrected to comply with the requirement of one ICP per connection point and the process for the management of trader acceptance for new connections is strong. The audit risk rating is low as the number of split ICPs to be made active is very small.

Actions taken to resolve the issue	Completion date	Remedial action status
We have undertaken a review of EA Networks processes to identify how the non-compliance occurred.	August 2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Please see Preventative action for 3.6	August 2022	

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 combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were examined to determine compliance.

Audit commentary

EA Networks completes electrical connection for its ICPs. EA Networks' processes are robust in relation to this clause. An ICP will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP.

Usually, metering is certified on the day that the connection is performed. EA Networks' inspectors do not liven unless a meter is present if the ICP is to be metered.

The audit compliance report identified 19 ICPs where the Initial Electrical Connection date is different to the Metering Installation Certification date or the Status Event date, these ICP's are part of the ICP splits for existing metering on site. This was a paperwork exercise therefore these are not true temporary electrical connections.

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 trader responsible for ensuring there is a metering installation for the point of connection.

The distributor that initiates the connection under Part 11 and connects the NSP 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

EA Networks has not created any new NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.30A and 10.30B

Code related audit information

A distributor may only electrically connect an NSP if:

- *each distributor connected to the NSP agrees*
- *the trader responsible for delivery of submission information has requested the electrical connection*
- *the metering installations for the NSP are certified and operational metering*

Audit observation

The NSP table was reviewed.

Audit commentary

EA Networks has not created any new NSPs 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:

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

The process for the creation of ICPs was examined.

Audit commentary

ICP numbers are created in the EA Networks' Customer Information System. 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. Loss factors are based on the new connection information, the system defaults the loss category to LV and this is monitored and updated for the small number of HV sites.

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 registry list for 31/05/21 and the combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were examined to determine compliance.

Audit commentary

EA Networks' current process is to create all ICPs at "ready" status, there are no ICPs at the "new" status.

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 combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

Audit commentary

The daily registry validation report identifies any ICPs which are at “new” or “ready” status. Any ICPs at “new” or “ready” status on the report are followed up with the trader every six months, and I viewed task scheduling to confirm that this is occurring.

The audit compliance report identified 16 ICPs at “new” or “ready” status for more than 24 months, these were examined and found that the ICPs listed are where the ICP has been split. The nominated traders have not yet claimed these. EA Networks has nominated the existing trader and expects that they will accept responsibility for these split ICPs. EA Networks have not checked with the nominated trader that the ICP should continue to have this status as required by this clause. The process of nominating the traders for these ICPs is discussed in **section 3.7.**

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.14 With: Clause 15 Schedule 11.1 From: 01-Jun-20 To: 31-May-21	16 ICPs at "new" or "ready" status not followed up with the nominated trader. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement. EA Networks must follow-up with the customer, if the trader does not accept responsibility. The impact on settlement and participants is minor; therefore, the audit risk rating is low.

Actions taken to resolve the issue	Completion date	Remedial action status
We have undertaken a review of EA Networks processes to identify how the non-compliance occurred.	August 2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
EA Networks will regularly check with status of ICPs with Trader. Please see Preventative action for 3.6	August 2022	

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:*
  - *the unique loss category code assigned to the ICP*
  - *the ICP identifier of the ICP*
  - *the NSP identifier of the NSP to which the ICP is connected*
  - *the plant name of the embedded generating station.*

Audit observation

The registry list as at 31/05/21 was reviewed to identify any generation stations with capacity of 10 MW or more and determine compliance.

Audit commentary

ICP 0000026335EA378 has a capacity greater than 10 MW (28 MW) and it has a unique loss category (H01).

Audit outcome

Compliant

3.16. Electrical connection of a point of connection (Clause 10.30C and 10.31C)

Code reference

Clause 10.30C and10.31C

Code related audit information

A distributor can only disconnect, or electrically disconnect an ICP on its network:

- *if empowered to do so by legislation (including the Code)*
- *under its contract with the trader for that ICP or NSP*
- *under its contract with the consumer for that ICP*

Audit observation

Sub-clause (4) states that no participant may electrically connect a point of connection without the permission of the Reconciliation Participant. The electrical connection of streetlight circuits which are a point of connection was examined.

Audit commentary

EA Networks are aware of their obligation to ensure that the trader has provided approval before streetlights are connected. Approval as part of EA Networks' new connection process discussed in **section 3.2**.

New connections of streetlights circuits are recorded in RAMM in accordance with EA Networks' agreement with Ashburton District Council, and in turn the trader.

Audit outcome

Compliant

3.17. Meter bridging (Clause 10.33C)

Code reference

Clause 10.33C

Code related audit information

An distributor may only electrically connect an ICP in a way that bypasses a meter that is in place ("bridging") if the distributor has been authorised by the responsible trader.

The distributor can then only proceed with bridging the meter if, despite best endeavours:

- *the MEP is unable to remotely electrically connect the ICP*
- *the MEP cannot repair a fault with the meter due to safety concerns*
- *the consumer will likely be without electricity for a period which would cause significant disadvantage to the consumer*

If the distributor bridges a meter, the distributor must notify the responsible trader within 1 business day, and include the date of bridging in its advice.

Audit observation

The EA Networks process for bridging control devices was examined.

Audit commentary

EA Networks may receive a Service Request from the trader to investigate 'no-power' after hours. Where the outcome of the SR results in the meter being bridged, the SR is returned to the trader notifying them that the meter was bridged. If there was no SR was provided by the trader, an email is sent by EA Networks to the trader to advise the meter was bridged. A meter being bridged is a rare outcome in the EA Network.

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 registry list for 31/05/21 and the registry compliance audit report covering the period from 1/06/20 to 31/05/21 were examined. A diverse sample of a minimum of ten (or all if there were less than ten examples) backdated events by event type were reviewed to determine the reasons for the late updates.

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.

Compliance for initial population of address, network, pricing, and status information is assessed in **sections 3.4** and **3.5**. Paperwork is scanned and emailed, and a hard copy is also provided.

Address events

The AC020 report recorded 24 ICPs where addresses were updated more than three business days after the event date. 93.69% of updates were on time, and the average business days between the event date and update date was 1.21.

I checked a sample of 10 from the 24 late updates and found seven were delayed by the late provision of paperwork, two were delayed as the person responsible for updating the information was on leave, one is unknown as to why there was a delay. Additional support has now been trained to cover leave in this area.

Network events – addition of distributed generation

The AC020 report recorded two ICPs where distributed generation details were updated more than three business days after the event date. 35.62% of updates were on time, and the average business days between the event date and update date was 119.29.

I checked both late updates made ten or more business days after the event date and found they were delayed by late provision of generation information.

Network events – other

The AC020 report recorded seven ICPs where network fields other than distributed generation details were updated more than three business days after the event date. The updates for the seven ICPs were related to a correction required to identify the ICPs as DUML on the registry as identified in the last audit.

Pricing events

The AC020 report recorded 23 ICPs where pricing details were updated more than three business days after the event date.

ICPs are initially created with a POA pricing code and updated to an actual pricing code once network connection information is received. Clause 7(3) Schedule 11.1 requires actual pricing information to be updated within ten business days of initial electrical connection. 18 of the updates were not genuinely late, because they populated actual pricing information within 10 business days of the initial electrical connection date for newly connected ICPs.

Five of the updates were genuinely late. I checked all five late updates made over ten business days after the event date and found they were corrections to the price code.

Status events

The management of decommissioned ICPs is discussed in **section 4.11**.

The AC020 report recorded 15 ICPs where the status was updated to decommissioned more than three business days after the event date, and more than three business days after the trader's update to "ready for decommissioning" status. 86.84% of updates were on time, and the average business days between the event date and update date was 41.63.

I checked nine late updates and found:

- five ICPs were late due to the late receipt of decommissioning documentation, EA networks had not been notified of the decommissioning, it was confirmed by site visit by EA Networks,
- two were caused by the correction of the decommissioning date,
- one ICP was blocked by an MEP event that needed to be reversed to allow the update, and
- one ICP has identified a discrepancy between the date set by the trader (ready to decommission) for a date after the EA Networks decommissioning date.

NSP changes

Review of the AC020 report found that ten NSP changes were made more than eight business days after the event date. Nine ICP's were updated, the change was not an NSP change. One ICP required a correction to the NSP to allow the decommissioning of the ICP.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Jun-20 To: 31-May-21	24 late address events. Two late network updates to distributed generation details. Seven late network updates to fields other than distributed generation details. 23 late pricing events. 15 late updates to decommissioned status. 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	Controls are rated as moderate because are sufficient to ensure that the registry is updated within three business days most of the time. The risk rating is low because there may be a minor impact on other participants. Processing corrections improves compliance with the completeness and accuracy requirements.

Actions taken to resolve the issue	Completion date	Remedial action status
We have undertaken a review of EA Networks processes to identify how the non-compliance occurred.	August 2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Several late updates were as result of the Business Analysis been on leave, the Commercial analysis has been trained and setup to carry out required tasks while on leave. Planning Engineer has setup a number template emails to ensure that Distributed generations details are passed on. Inspectors were reminded of their obligations on completing relevant forms in a timely manner and when the Field Services Administrator is on leave, they need to pass on Forms directly to the Commercial or Business Analysis.	August 2021	

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 combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were examined to determine compliance.

Audit commentary

NSP assignment

The EA Networks Customer Information System automatically assigns ASB0661. If a new ICP is connected to embedded network URK0111, the NSP will be manually updated in the EA Networks Customer Information System.

NSP accuracy

Currently, all active ICPs are connected to either ASB0661 or embedded network URK0111.

Review of the AC020 report did not identify any instances where ICPs on a street have a different NSP to the other ICPs.

Compliance is recorded in this section because no inaccurate NSP data was identified during the current audit period.

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

EA Networks 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 list file as at 31/05/21 and the combined audit compliance report coving the audit period were examined.

Audit commentary

As discussed in **section 2.1**, a suite of registry reports are run daily, and any exceptions identified are reviewed and resolved. Addresses are checked to ensure that they are readily locatable at the time of application, and by the inspector as part of the inspection process.

The AC020 report identified one insufficient address that had the lot number and street details recorded, the street number was added during the audit.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 01-Jun-20 To: 31-May-21	One ICP without a readily locatable address Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating:1
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are recorded as strong as processes are robust to ensure that addresses are locatable The impact is rated as low as only one ICP was affected.

Actions taken to resolve the issue	Completion date	Remedial action status
We have undertaken a review of EA Networks processes to identify how the non-compliance occurred.	August 2021	Cleared
Preventative actions taken to ensure no further issues will occur	**Completion date**	
One off issue -normally sufficient information is provided.	August 2021	

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. The Network Connection Form contains details of isolation (fusing) which confirms individual isolation points for each ICP.

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 process for updating the registry is automated for all fields, and the update occurs on a nightly basis. EA Networks has a fully automated registry update process, which ensures all information listed in this clause is provided to the registry.

The registry list as at 31/05/21 and the audit compliance report for the audit period from 1/06/20 to 31/05/21 were reviewed to determine compliance. A sample using the typical characteristics methodology of data discrepancies or all if there were less than ten ICPs were checked.

Audit commentary

Registry data validation processes are discussed in **section 2.1**. All ICP information was checked and confirmed compliant unless discussed below.

Installation type and generation details

Analysis of the registry list confirmed there are 293 active ICPs with generation capacity recorded and increase from 248 during the previous audit. All ICPs with generation capacity have a non-zero generation capacity, a fuel type, and an installation type of “B” or “G” recorded on the registry.

There were four ICPs with generation metering installed and a retailer profile indicating generation is present and no generation capacity recorded by EA Networks. I confirmed that the solar installations were decommissioned, and EA Networks’ generation details were correct.

Unmetered load

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

EA Networks does not have unmetered load details recorded for any of its ICPs. I identified one new connection during the audit period for ICP 0000034224EA735 where the trader has unmetered load recorded but EA Networks has none. As this is a new connection the unmetered load is expected to be "known". EA Networks advise they do not usually update where there is unmetered load. I recommend that any new connections with unmetered load recorded is updated to the registry using the Electricity Authority's recommended unmetered load format:

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

Example strings:

- 0110;10.5; Street light corner Rons Rd and Beatty St

  This is a 110 watt connected capacity street light that runs for 10.5 hours per day.

- 1525;01.0; Sewage pump outside 76 Guthries Rd

  This is a 1525 watt connected capacity sewage pump that runs for 1 hour per day.

Recommendation	Description	Audited party comment	Remedial action
Unmetered load details	Ensure unmetered load details are recorded on the registry for any new unmetered load connections.	EA Networks will ensure that unmetered load details are recorded on the registry for any new unmetered load connections.	Identified

I followed up the three private streetlights recorded in the last audit that did not have an ICP allocated. As detailed in **section 3.1**, EA Networks confirmed that one of the private lights has now been removed. The remaining two lights in the Tinwald Domain are metered on ICP 0000023713EA483.

Initial Electrical Connection date

Initial electrical connection dates are recorded from connection paperwork received from EA Networks inspectors, once connection is complete. All 278 ICPs created and electrically connected during the audit period had an initial electrical connection date recorded.

Examination of the AC020 report found:

19 ICPs where the Status Event Date and the Initial Electrically Connected Date do not align as expected. These are all ICPs that have been split. This was a paperwork exercise to establish the ICPs, EA Networks agreed with the trader that the IECD date would be populated with the date that the data was collected from site. The trader has a different date, which is why these do not align. I recommend that EA Networks confirm the correct initial electrical connection date with the trader.

Recommendation	Description	Audited party comment	Remedial action
Initial Electrical Connection date	EA Networks to confirm the correct electrical connection date with the trader for the ICP's that are split.	EA Networks will confirm the correct electrical connection date with the trader for the ICP's that are split.	Identified

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.6 With: Clause 7(1)(m) & (p) Schedule 11.1 From: 01-Jun-20 To: 31-May-21	Unmetered load information is not recorded on the registry for ICP 0000034224EA735. Potential impact: Low Actual impact: Low Audit history: Three times previously Controls: Moderate Breach risk rating: 2
Audit risk rating	**Rationale for audit risk rating**
Low	The controls are rated as moderate, overall EA Networks has robust controls. The audit risk rating is assessed to be low as the volume of ICPs affected is small

Actions taken to resolve the issue	Completion date	Remedial action status
We have undertaken a review of EA Networks processes to identify how the non-compliance occurred.	August 2021	Cleared
Preventative actions taken to ensure no further issues will occur	**Completion date**	
Unmetered Load information for 0000034224EA735 has been update on the Registry.	August 2021	

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 registry list for 17/03/20 and audit compliance report for 01/04/19 to 17/03/20 were reviewed to determine compliance.

Audit commentary

ICPs are initially created with a POA pricing code and updated to an actual pricing code once network connection information is received. Daily registry validation reporting is in place to identify active ICPs with a POA pricing code, which are checked and updated.

The audit compliance report confirmed that all pricing updates for new connections were made within the required timeframe.

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

I checked the list file for ICPs with GPS coordinates.

Audit commentary

EA Networks does not use GPS coordinates.

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

The management of ICPs in relation to the use of the "ready" status was examined. The registry list for 31/05/21 and the combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were examined to determine compliance.

Audit commentary

EA Networks' current process is to create all ICPs at the "ready" status. 32 ICPs are currently at 'ready' status. All ICPs at "ready" status had a single price category assigned and proposed trader identified. As detailed in **sections 3.6** and **3.7**, 16 ICPs have been split and are still at the "ready" status. EA Networks has nominated the existing trader and expects that they will accept responsibility for these split ICPs. EA Networks must have acceptance from the trader for these ICPs. If the trader does not accept responsibility, EA Networks must advise the customer to arrange a new trader to accept the ICP. I note that ICP 0000012855EA82A has Electric Kiwi as the nominated trader, but this trader does not undertake new connections. The recording of a nominated trader when no acceptance has been received from the nominated trader is recorded as non-compliance in below and in **section 3.7.**

Monitoring of ICPs at "ready" status is discussed further in **section 3.14**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.9 With: Clause 14 of schedule 11.1 From: 01-Jun-20 To: 31-May-21	16 ICPs recorded as "ready" but no acceptance has been received from the trader recorded in the registry. 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 rated as strong as these are historical connections that are being corrected to comply with the requirement of one ICP per connection point and the process for the management of trader acceptance for new connections is strong. The audit risk rating is low as the number of split ICPs to be made active is very small.

Actions taken to resolve the issue	Completion date	Remedial action status
We have undertaken a review of EA Networks processes to identify how the non-compliance occurred.	August 2021	Identified
Preventative actions taken to ensure no further issues will occur	**Completion date**	
As note in 3.6; EA Networks will review each of remaining ICP Splits and work with Customers, Traders, and MEP to resolve this issue.	August 2022	

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

Processes to manage the "distributor" status were reviewed.

The registry list for 31/05/21 and the combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were reviewed to identify ICPs at the "distributor" status and check compliance.

Audit commentary

There are two ICPs with "distributor" status, they are points of connection between embedded network TAC0011 and the parent network EASH.

No shared unmetered load is recorded on the network. Shared unmetered load is discussed further in **section 7.1**.

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 registry list for 31/05/21 and the combined registry compliance audit reports covering the period from 1/06/20 to 31/05/21 were examined to identify ICPs at the "decommissioned" or "ready for decommissioning" status.

A diverse sample of nine "decommissioned" ICPs was examined. I also examined the one ICP at "ready for decommissioning" status.

Audit commentary

EA Networks moves ICPs to "decommissioned" status once an application for decommissioning has been received from the trader, the registry has been updated to "ready for decommissioning status", the decommissioning process is complete, and paperwork is received.

ICPs which are at "ready for decommissioning" status are monitored on the daily registry validation report described in **section 2.1**. The ICPs are checked to determine whether an application for decommissioning or decommissioning paperwork has been received, so that the next step in the decommissioning process can be completed. ICPs which have been moved to "ready for decommissioning" status without an application for decommissioning being received are currently followed up with the trader. As recommended in the last audit EA Networks has implemented a process to follow up missing applications for decommissioning.

Examination of the list file found one ICP at "ready for decommissioning" status. There were no ICPs at "ready for decommissioning" where decommissioning should have occurred on the registry. The ICP is required to be followed up with the trader, as it is an ICP that was created for a split ICP scenario, and therefore the ICP is required.

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

I checked the price category code table for any new or changed codes during the audit period.

Audit commentary

There were no changes 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 category code table on the registry was examined.

Audit commentary

No loss category codes were added or ended during the audit period. Changes to the loss factors for the existing codes are discussed in **section 5.2**.

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

EASH updated the loss factor values for the following codes during the audit period in accordance with this clause:

Loss Factor	Updated from
H01	1/02/2021
H02	1/02/2021
L01	1/02/2021
M01	1/02/2021
M02	1/02/2021
M03	1/02/2021
M04	1/02/2021
M05	1/02/2021

Only one factor is applied per calendar month. The loss factor review process is discussed in **section 8.1**.

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.

The notice provided to the reconciliation manager must be provided no later than 30 days prior to the intended date or creation or decommissioning.

If the intended date of creation or decommissioning changes the distributor must provide an updated notice as soon as possible.

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 on the registry was examined.

Audit commentary

The NSP table on the registry was examined. No NSPs were created or decommissioned during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table on the registry was examined.

Audit commentary

No new NSPs were created or decommissioned by EA Networks 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 on the registry was examined.

Audit commentary

The NSP table on the registry was examined. No new balancing areas were created 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

EA Networks have 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 on the registry was examined.

Audit commentary

No balancing area changes have occurred during the audit period.

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

EA Networks 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 table and code exemption information was reviewed.

Audit commentary

EA Networks does not have responsibility for any NSP metering.

As discussed in **section 1.1**, exemption number 163 exempts EA Networks from provision of a metering installation at the point of connection for the URK0111 (Upper Rakia) embedded network.

EA Networks is working with the Department of Conservation to arrange installation of a gateway meter, they have resource consent for this. The work can only be completed in April and May, the poles are in place, the new lines have not been slung, the gateway meter is on site but not connected. Due to the recent floods in the area, the work was not able to be completed and is expected to be done in April/May 2022.

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 the reconciliation participant for the NSP (Clause 10.25(2)(b)); and*
- *no later than 5 business days after the date of certification of each metering installation, advise the reconciliation manager of*
  - *a) the MEP for the NSP (Clause 10.25(2)(c)(i)); and*
  - *b) the NSP of the certification expiry date (Clause 10.25(2)(c)(ii)).*

Audit observation

The NSP table on the registry was examined**.**

Audit commentary

EA Networks did not create 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

EA Networks 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

EA Networks does not have responsibility for any NSP metering.

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

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

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

EA Networks 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

I checked the list file for any shared unmetered load.

Audit commentary

EA Networks has not recorded any shared unmetered load.

I confirmed that there were no other points of connection without an ICP or shared unmetered ICP recorded.

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

I checked the list file for any shared unmetered load.

Audit commentary

EA Networks does not have any shared unmetered load recorded.

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 "Guidelines on the calculation and the use of loss factors for reconciliation purposes" was published on 26 June 2018. I have assessed EA Networks' process and compliance against the guideline's recommended thresholds.

I reviewed correspondence and documentation relating to the loss factor review.

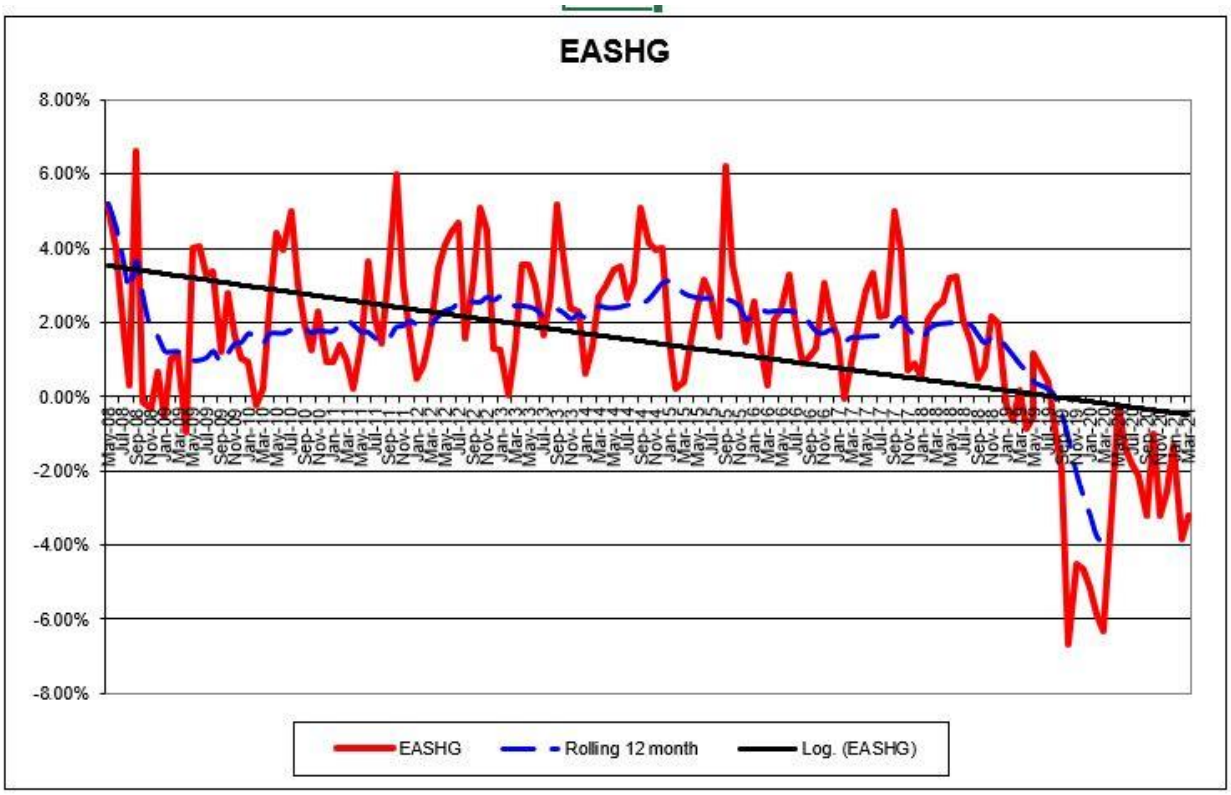
Audit commentary

EA Networks monitors reconciliation losses for each financial year. Losses are tracked monthly by reviewing reconciliation results provided by the reconciliation manager.

Loss factor reviews are completed annually and follow the EA's guidelines, and are submitted to the EA.

A loss factor review was completed in January 2021, and the previous review was completed in January 2020. Following the review updated loss factors were published and recorded on the registry effective from 01/04/21. I confirmed that the updated loss factors recorded on the registry were consistent with the revised loss factor calculations.

EA Networks losses are tracking within the accepted +/-1% threshold.



Audit outcome

Compliant

CONCLUSION

EA Networks have good controls in place for most processes. Robust processes and prompt and accurate update of information is treated as a priority. Reporting and management of the reports is strong, data accuracy issues identified are promptly resolved.

The remaining small number of new ICP's that have been created to accommodate an ICP split require monitoring and follow-up. These ICP's are appearing on a number of exception reports, these should be followed up to ensure the trader accepts responsibility. EA Networks has nominated the existing trader and expects that they will accept responsibility for these split ICPs. They must follow up with the customer where a trader is unable to create the new ICP or does not accept responsibility.

Overall, the level of compliance is high, and controls generally found to be strong. The audit found eight non-compliances and makes three recommendations. The audit risk rating is 12, and the next audit frequency table indicates that the next audit be due in 12 months. I have considered this in conjunction with EA Network's responses and agree with this recommendation.

PARTICIPANT RESPONSE

EA Networks has reviewed this report and their comments are contained within the report.