

ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT



For



KIWI PROPERTY GROUP (KIPT) - WITH REGARDS TO
ELECTRICITY NETWORKS OPERATING AS KIWI INCOME
PROPERTY TRUST

Prepared by: Steve Woods, Veritek Limited

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EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Kiwi Property Group (KIPT)** 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.

KIPT has changed contractors from TEG Associates to TENCO. A material change audit was completed in relation to this change in October 2019. TENCO performs all KIPT's responsibilities.

Overall, the level of compliance was found to be high with strong controls recorded. This audit found eight non-compliances and makes no recommendations.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of eight, which results in an indicative audit frequency of 18 months. I have considered this in conjunction with KIPT's comments and agree with this recommendation.

The matters raised are detailed in the tables below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Two ICPs identified that were not mapped to correct NSP. Two active ICPs with addresses that are not readily locatable.	Strong	Low	1	
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.	Information not provided to the registry prior to electricity being traded for one ICP.	Strong	Low	1	
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	Seven ICPs did not have initial electrical connection dates populated within ten business days of initial electrical connection.	Strong	Low	1	
Connection of an ICP that is not an NSP	3.6	Clause 11.7	One ICP moved to "ready" late.	Strong	Low	1	
Changes to registry information	4.1	8 Schedule 11.1	Registry not updated within three days of the event for a small number of events.	Strong	Low	1	
ICP Location Address	4.4	2 Schedule 11.1	Two active ICPs with addresses that are not readily locatable.	Strong	Low	1	
Updating table of Loss Category codes	5.1	Clause 21 Schedule 11.1	New loss code KPPLV2 was created, but the required 2 months' notice was not provided.	Strong	Low	1	
Responsibility for metering information for	6.8	Clause 10.25 (1),	One NSP (SYL0113) appeared to be	Strong	Low	1	

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
NSP that is not a POC to the grid		and 10.25 (3)	expired in the NSP report with an expiry date of 19/05/20. Investigation determined this was an error, the NSP was certified, and the correct expiry date was 19/05/21, this has now been corrected, this is recorded as a technical non-compliance.				
Future Risk Rating						8	

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	Remedial action
		Nil	

ISSUES

Subject	Section	Issue	Remedial action
		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 Electricity Authority website was checked to determine whether KIPT has any Code exemptions in place.

Audit commentary

Review of exemptions on the Electricity Authority website confirmed that there are no exemptions in place for KIPT.

1.2. Structure of Organisation

Not applicable

1.3. Persons involved in this audit

Auditor:

Name	Company	Role
Steve Woods	Veritek Limited	Lead Auditor
Claire Stanley	Veritek Limited	Supporting Auditor

Personnel assisting in this audit were:

Name	Title	Organisation
Nick Price	Managing Director	TENCO
Andrew Price	Market Operations and Compliance Manager Director	TENCO

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

KIPT has changed contractors from TEG Associates to TENCO. A material change audit was completed in relation to this change in October 2019. TENCO performs all of KIPT's responsibilities.

1.5. Supplier list

All activities covered by the scope of this audit are conducted by TENCO.

1.6. Hardware and Software

TENCO manages a database called END (Embedded Network Database), which contains all relevant embedded network data.

A spreadsheet is used to create ICP identifiers. The checksum is created by the "checksum" tool provided by Vector.

Salesforce hosts all the ICP information, and registry information is imported daily. A daily registry validation is performed within Salesforce and any discrepancies are managed using the salesforce dashboard.

This is detailed further in the TENCO agent report.

1.7. Breaches or Breach Allegations

KIPT has not had any breach allegations relevant to this audit recorded by the Electricity Authority.

1.8. ICP and NSP Data

Review of the NSP table showed KIPT had the following NSPs as of 1 March 2021. No NSPs have been created or decommissioned during the audit period:

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network Type	Start Date	Number of ICPs
APC0011	APEX MEGA CENTRE	PEN0331	VECT	APC0011KIPTE	E	1/08/2015	18
KCH0011	KIWI CENTREPLACE WEST	HAM0331	WAIK	KCH0011KIPTE	E	1/11/2012	41
KCH0012	KIWI CENTREPLACE EAST	HAM0331	WAIK	KCH0012KIPTE	E	1/11/2012	22
KCH0014	KIWI CENTREPLACE TOWER	HAM0331	WAIK	KCH0014KIPTE	E	1/11/2012	16
KPP0011	KIWI PLAZA	BPE0331	POCO	KPP0011KIPTE	E	20/11/2019	116
KRA0111	KIWI ROYAL SUN ALLIANCE CENTRE	PEN1101	VECT	KRA0111KIPTE	E	1/11/2012	40
KTW0011	KIWI TERTWO	KWA0111	CKHK	KTW0011KIPTE	E	22/03/2010	20
KWG0011	WESTGATE ZONE 7 AUCKLAND	HEN0331	UNET	KWG0011KIPTE	E	21/03/2016	28
LMC0011	Lynn Mall	HEP0331	UNET	LMC0011KIPTE	E	1/11/2012	143
NTL0011	Northland Shopping Mall	ISL0661	ORON	NTL0011KIPTE	E	1/11/2012	123
SYL0113	SYLVIA PARK	PEN0331	VECT	SYL0113KIPTE	E	1/11/2014	215

A list file was provided as of March 2021:

Status	Number of ICPs 2021	Number of ICPs 2019	Number of ICPs 2017
New (999,0)	0	0	0
Ready (0,0)	5	4	16
Active (2,0)	807	789	1,031
Distributor (888,0)	0	0	0
Inactive – new connection in progress (1,12)	0	0	0
Inactive – electrically disconnected vacant property (1,4)	25	20	23
Inactive – electrically disconnected remotely by AMI meter (1,7)	1	1	0
Inactive – electrically disconnected at pole fuse (1,8)	0	0	0
Inactive – electrically disconnected due to meter disconnected (1,9)	3	3	1
Inactive – electrically disconnected at meter box fuse (1,10)	0	0	0
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0
Inactive – electrically disconnected ready for decommissioning (1,6)	0	1	0
Inactive – reconciled elsewhere (1,5)	0	0	0
Decommissioned (3)	543	494	459

1.9. Authorisation Received

TENCO provided an email of authorisation to Veritek, permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

This Distributor audit was performed at the request of KIPT, 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 scope of the audit is shown in the table below:

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

The audit report for TENCO will be submitted with this audit.

1.11. Summary of previous audit

The previous KIPT audit conducted in October 2019 by Rebecca Elliot of Veritek Limited was reviewed. The current status of the issues found in that audit are detailed below:

Table of Non-Compliance

Subject	Section	Clause	Non-compliance	Status
Timeliness of Provision of Initial Electrical connection Date	3.5	7(2A) of Schedule 11.1	Three late initial electrical connection updates.	Cleared
Changes to registry information	4.1	8 Schedule 11.1	23 late updates to registry.	Cleared
Distributors to Provide ICP Information to the Registry	4.6	7(1) of Schedule 11.1	One missing ICP with a missing initial electrical connection date. One incorrect initial electrical connection date.	Cleared
Responsibility for metering information for NSP that is not a point of connection to the grid	6.8	10.25(3)	Two-meter recertifications were notified late.	Cleared
Creation of loss factors	8.1	11.2	Three loss factors not created for three SB ICPs.	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

The management of this process is discussed in the TENCO report. The registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

Audit commentary

Compliance is recorded for TENCO.

The audit compliance reports identified two ICPs with addresses that are not readily locatable. These have been passed to TENCO to add additional address details to ensure these are readily locatable.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 2.1 With: Clause 11.2(1) and 10.6(1) From: 02-Oct-19 To: 28-Feb-21	Two active ICPs with addresses that are not readily locatable. 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 they are robust and mitigate risk to an acceptable level. The audit risk rating is deemed to be low as this has no direct impact on reconciliation.

Actions taken to resolve the issue	Completion date	Remedial action status
ICP 0000014338KPADC was updated from N063 to N065 at the request of the retailer, prior to updating this a check to ensure uniqueness was maintained should have been completed by the analyst completing this change but was not – the ICP address has been changed back to N063 whilst we await confirmation from the Centre’s Facilities Manager.	27/04/2021	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
Controls in this space are strong but are reliant on the analyst completing the update to ensure the required processes are followed.	Ongoing.	

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

Processes to provide information were reviewed and observed throughout the audit.

Audit commentary

Processes are in place to identify and resolve registry discrepancies. Incorrect information is normally corrected daily, or as soon as possible upon discovery.

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 un-bridge 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 TENCO process for bridging control devices was examined.

Audit commentary

This clause was implemented alongside a number of changes made to the Code on February 1st, 2021.

There are no ICPs on the KIPT network with load control.

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 as part of the TENCO report.

The registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

Audit commentary

72 ICPs were created during the audit period. The new ICPs were created in accordance with this clause.

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 is discussed in the TENCO report. ICP requests are made by embedded network management or traders, with most requests are provided by the embedded network management. If the request is not made by a trader this rule does not apply.

72 ICPs were created during the audit period.

Audit commentary

This clause requires Distributors to create ICPs within three business days of the request. This clause also assumes that ICP requests will be made by traders, however the process for KIPT is different and the majority of ICP requests are made by customers to KIPT therefore this clause does not apply in this scenario.

Two ICP's were checked where the trader had requested the ICP and found all were created within three business days.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The new connection process is discussed in the TENCO report.

The registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

Audit commentary

72 new ICPs were created during the audit period, information was provided as required for this clause for all ICPs created during the audit period.

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 is discussed in the TENCO report.

The registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

Audit commentary

The audit compliance report confirmed that all but one ICP were populated to the registry prior to electricity being traded at the ICP.

ICP 0000144515KP9CC was made “ready” on the 13 October 2020 for an electrical connection date of 2 October 2020.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 02-Oct-19 To: 28-Feb-21	Information not provided to the registry prior to electricity being traded for one ICP. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are robust and mitigate risk to an acceptable level. The audit risk rating is deemed to be low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
ICP 0000144515KP9CC was originally setup on the 03/08/2020 as READY, a later network event stripped the NSP from the ICP and it changed back to NEW, this was picked up and corrected on the 13/10/2020 when the metering paperwork came through for processing.		13/10/2020	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
This was a one-off occurrence and a result of human error during data input into Registry.		13/10/2020	

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 registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

Audit commentary

There were 63 initial electrical connection dates updated during the audit period. 56 of these were updated within the required timeframe. Seven were updated late.

A sample of three late updates were checked to determine why they were delayed.

The sample of three checked found that:

- one was delayed due to late update by Retailer and MEP to registry, this triggers the update for IECD,
- one was delayed due to the COIVD 19 pandemic, and
- one the delay occurred during the transition to TENCO providing registry services.

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

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 01-Oct-19 To: 28-Feb-21	Seven ICPs did not have initial electrical connection dates populated within ten business days of initial electrical connection. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are sufficient to prevent the late updates most of the time. The audit risk rating is deemed to be low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
ICP 0000144515KP9CC was originally setup on the 03/08/2020 as READY, a later network event stripped the NSP from the ICP and it changed back to NEW, this was picked up and corrected on the 13/10/2020 when the metering paperwork came through for processing.		13/10/2020	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
This was a one-off occurrence and a result of human error during data input into Registry.		13/10/2020	

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

Code reference

Clause 11.17

Code related audit information

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

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

In respect of ICPs across which unmetered load is shared, the distributor must not connect an ICP unless a trader is recorded in the registry as accepting responsibility for the shared unmetered load, and all traders that are responsible for an ICP on the shared unmetered load have been advised.

Audit observation

The new connection process is discussed in the TENCO report.

The registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

Audit commentary

As discussed in the TENCO agent audit report, the new connection process requires applications for new connections to be approved by traders.

The audit compliance report confirmed that all but one ICP was populated to the registry prior to electricity being traded at the ICP with a trader recorded as accepting responsibility for the ICP.

ICP 0000144515KP9CC was made “ready” on the 13 October 2020 for an electrical connection date of 2 October 2020.

The registry list does not record any shared unmetered load; therefore, compliance is recorded for KIPT.

Audit outcome

Non-compliant

Non-compliance	Description	
Audit Ref: 3.6 With: Clause 11.17 From: 01-Oct-19 To: 28-Feb-21	One ICP moved to “ready” late. 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 rated as strong, as they are sufficient to prevent the late updates most of the time. The audit risk rating is deemed to be low as this has no direct impact on reconciliation.	
Actions taken to resolve the issue		Completion date
ICP 0000144515KP9CC was originally setup on the 03/08/2020 as READY, a later network event stripped the NSP from the ICP and it changed back to NEW, this was picked up and corrected on the 13/10/2020 when the metering paperwork came through for processing.		13/10/2020
		Cleared

Preventative actions taken to ensure no further issues will occur	Completion date	
This was a one-off occurrence and a result of human error during data input into Registry.	13/10/2020	

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

Code reference

Clause 10.31

Code related audit information

A distributor must not connect an ICP that is not an NSP unless requested to do so by the trader trading at the ICP, or if there is only shared unmetered load at the ICP and each trader has been advised.

Audit observation

The new connection process is discussed in the TENCO report.

The registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

Audit commentary

KIPT will not electrically connect an ICP without a reconciliation participant accepting responsibility. Examination of the list file and the combined audit compliance reports confirmed this.

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

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

- *advising all traders would impose a material cost on the distributor, and*
- *in the distributor's reasonable opinion, the advice would not result in any material benefit to any of the traders.*

Audit observation

The new connection process is discussed in the TENCO report.

The registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

Audit commentary

All electrically connected ICPs had certified meters prior to their initial electrical connection date. TENCO confirmed that no ICPs were temporarily electrically connected.

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 must that initiates the connection under Part 11 and connects the NSP, 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 on the registry was examined.

Audit commentary

No new NSPs were created 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 temporarily electrically connect an NSP that is not a point of connection to the grid if requested by an MEP for a purpose set out in clause 10.30A(3), and the MEP:

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

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 on the registry was examined.

Audit commentary

No new NSPs were created 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 ICP creation process is discussed in the TENCO report.

Audit commentary

Compliance is recorded for TENCO. ICPs are created in a spreadsheet. The spreadsheet is used to create unique numbering sets for each network. Each network has its own numbering convention, usually with tenancy or shop numbers incorporated into the ICP number.

The checksum is added manually from the "Checksum" system supplied by Vector for where a group of ICPs is created. For the creation of a single ICP, TENCO uses the checksum facility available on the registry.

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 whether all active ICPs have a single loss category code.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

The event detail file, and the registry LIS report for 1 October 2019 to 28 February 2021 were examined to determine compliance.

Audit commentary

Compliance is recorded for TENCO.

No ICPs currently have “new” status. Two ICPs were created at “new” status during the audit period. These ICPs were changed to “ready” once the retailer had been determined.

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

Monitoring of “new” and “ready” status is discussed in the TENCO report. The combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

An examination of the audit compliance report found no ICPs at the “new” or “ready” statuses for more than 24 months.

Compliance is recorded for TENCO.

Audit outcome

Compliant

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

Code reference

Clause 7(6) Schedule 11.1

Code related audit information

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

- *The loss category code must be unique; and*
- *The distributor must provide the following to the reconciliation manager:*
 - *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 of March 2021 was examined to determine compliance.

Audit commentary

The list file was examined. There is no embedded generation on the KIPT network that has a generation capacity greater than 10MW.

Audit outcome

Compliant

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

Code reference

Clause 10.30C and 10.31C

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

The registry list as of February 2020 was reviewed to determine compliance.

Audit commentary

KIPT obtains permission from the trader before electrically connecting ICPs.

Review of the registry list confirmed that no unmetered load is connected. KIPT does not intend to connect any other unmetered load to the network in the future.

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 10 business days, the notification must be provided no later than the 13th business day and be backdated to the date the change took effect.

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

Audit observation

The management of this process is discussed in the TENCO report. I also examined the registry list for March 2021 and the combined registry audit compliance reports covering the period from 1 September 2018 to 31 January 2021 were examined, to identify late changes to registry information during the audit period.

Initial population of data for new connections is discussed in **sections 3.4** and **3.5**.

Audit commentary

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

Address events

There were no late address updates during the audit period; all were updated within three business days.

Network Events

There were no late network updates during the audit period; all were updated within three business days.

Pricing Events

There were no late pricing updates during the audit period; all were updated within three business days.

Status Events

43 ICPs were decommissioned during the audit period. 31 (72%) were updated within the required timeframe. 12 were updated late.

NSP changes

There were no late NSP changes made during the audit period.

Distributed Generation Changes

These are unlikely to occur on KIPT embedded networks as these are mostly high-rise buildings and none were identified.

The late updating of the registry is recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: 8 Schedule 11.1 From: 01-Oct-19 To: 28-Feb-21	Registry not updated within three days of the event for a small number of events. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are sufficient to prevent the late updates most of the time. The audit risk rating is low as the volume of ICPs affected is relatively small and therefore the impact on settlement will be low.		
Actions taken to resolve the issue		Completion date	Remedial action status
The late updating of decommissioning occurred when the previous Registry provider was in place, under Tenco as Registry manager there is daily monitoring of Registry to ensure that updates occur within the required timeframes to ensure compliance.		Ongoing	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The late updating of decommissioning occurred when the previous Registry provider was in place, under Tenco as Registry manager there is daily monitoring of Registry to ensure that updates occur within the required timeframes to ensure compliance.		Ongoing	

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 management of this process is discussed in the TENCO report. The audit compliance reporting was examined for any NSP discrepancies.

Audit commentary

The audit compliance reports identified two ICPs that appeared to be incorrectly mapped. These were examined and confirmed to be correctly mapped.

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

KIPT does not receive direct requests for ICP identifiers, but if they were received these would be provided immediately.

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 during the TENCO agent audit. The registry list file as of March 2021 and the combined audit compliance report covering the audit period were examined.

Audit commentary

The audit compliance report identified two ICPs with addresses that are not readily locatable. These have been passed to TENCO to add additional address details to ensure these are readily locatable.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: 2 Schedule 11.1 From: 01-Aug-18 To: 31-Jan-21	Two active ICPs with addresses that are not readily locatable. Potential impact: None Actual impact: None Audit history: Three times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are sufficient to prevent the late updates most of the time. The audit risk rating is low as the volume of ICPs affected is small.		
Actions taken to resolve the issue		Completion date	Remedial action status
ICP 0000014338KPADC was updated from N063 to N065 at the request of the retailer, prior to updating this a check to ensure uniqueness was maintained should have been completed by the analyst completing this change but was not – the ICP address has been changed back to N063 whilst we await confirmation from the Centre’s Facilities Manager.		27/04/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Controls in this space are strong but are reliant on the analyst completing the update to ensure the required processes are followed.		Ongoing.	

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 is discussed in the TENCO report.

Audit commentary

Compliance is recorded for TENCO.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

- the location address of the ICP identifier (Clause 7(1)(a) of Schedule 11.1)
- the NSP identifier of the NSP to which the ICP is usually connected (Clause 7(1)(b) of Schedule 11.1)
- the installation type code assigned to the ICP (Clause 7(1)(c) of Schedule 11.1)
- the reconciliation type code assigned to the ICP (Clause 7(1)(d) of Schedule 11.1)
- the loss category code and loss factors for each loss category code assigned to the ICP (Clause 7(1)(e) of Schedule 11.1)
- if the ICP connects the distributor's network to an embedded generating station that has a capacity of 10MW or more (Clause 7(1)(f) of Schedule 11.1):
 - a) the unique loss category code assigned to the ICP,
 - b) the ICP identifier of the ICP
 - c) the NSP identifier of the NSP to which the ICP is connected,
 - d) the plant name of the embedded generating station
- the price category code assigned to the ICP, which may be a placeholder price category code only if the distributor is unable to assign the actual price category code because the capacity or volume information required to assign the actual price category code cannot be determined before electricity is traded at the ICP (Clause 7(1)(g) of Schedule 11.1)
- if the price category code requires a value for the capacity of the ICP, the chargeable capacity of the ICP as follows (Clause 7(1)(h) of Schedule 11.1):
 - a) a placeholder chargeable capacity if the distributor is unable to determine the actual chargeable capacity,
 - b) a blank chargeable capacity if the capacity value can be determined for a billing period from metering information collected for that billing period,
 - c) if there is more than one capacity value at the ICP, and at least one, but not all, of those capacity values can be determined for a billing period from the metering information collected for that billing period-
 - (i) no capacity value recorded in the registry field for the chargeable capacity; and
 - (ii) either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded
 - d) if there is more than one capacity value at the ICP, and none of those capacity values can be determined for a billing period from the metering information collected for that billing period-
 - (i) the annual capacity value recorded in the registry field for the chargeable capacity; and
 - (ii) either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded

- e) *the actual chargeable capacity of the ICP in any other case*
- *the distributor installation details for the ICP determined by the price category code assigned to the ICP (if any), which may be placeholder distributor installation details only if the distributor is unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (Clause 7(1)(i) of Schedule 11.1)*
- *the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (Clause 7(1)(j) of Schedule 11.1)*
- *the status of the ICP (Clause 7(1)(k) of Schedule 11.1)*
- *designation of the ICP as "Dedicated" if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under Clause 7(1)(b) of Schedule 11.1, or the ICP is a point of connection between a network and an embedded network (Clause 7(1)(l) of Schedule 11.1)*
- *if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (Clause 7(1)(m) of Schedule 11.1)*
- *if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (Clause 7(1)(n) of Schedule 11.1)*
- *if the ICP is capable of generating into the distributors network (Clause 7(1)(o) of Schedule 11.1):*
 - a) *the nameplate capacity of the generator; and*
 - b) *the fuel type*
- *the initial electrical connection date of the ICP (Clause 7(1)(p) of Schedule 11.1).*

Audit observation

Processes to ensure information is accurate were examined during the TENCO agent audit.

The registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance for the population of all required information and its alignment with the trader where appropriate e.g., distributed generation, unmetered load, and shared unmetered load.

Audit commentary

Compliance is recorded in the TENCO contractor report. All ICP information was checked and confirmed compliant.

Audit outcome

Compliant

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 this process is discussed in the TENCO contractor report.

The event detail report for the period 1 October 2019 to 28 February 2021 was examined to determine compliance with this clause.

Audit commentary

Pricing information was updated on the registry before trading of electricity commenced for all ICPs created and energised during the audit period, examination of the audit compliance report confirmed this.

Audit outcome

Compliant

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

The registry list as of March 2021 was examined.

Audit commentary

KIPT do not populate GPS co-ordinates on the registry.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

- *identify the trader that has taken responsibility for the ICP (Clause 14(2)(a) of Schedule 11.1)*

- ensure the ICP has a single price category (Clause 14(2)(b) of Schedule 11.1).

Audit observation

Processes to manage ICPs at “ready” status were reviewed as part of the TENCO agent audit.

The registry list file as of March 2021 and the combined registry compliance audit reports covering the period from 1 October 2019 to 28 February 2021 were examined to confirm compliance.

Audit commentary

Compliance is recorded for TENCO.

The list file contained five ICPs at “ready”. All had a nominated trader and price category recorded.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

It is unlikely that KIPT will deal with any ICPs with a “Distributor” status because they do not deal with shared unmetered load, and there are no embedded networks connected to existing embedded networks.

The registry list file for was examined in relation to the use of the distributor status.

Audit commentary

The distributor status was not used at all during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

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

Audit observation

The management of this process is discussed in the TENCO contractor report. The list file as of March 2021 and the combined audit compliance report for the period 1 August 2018 to 31 January 2021 were examined in relation to the use of the decommissioned status.

Audit commentary

Compliance is recorded for TENCO.

43 ICPs were decommissioned during the audit period and the registry was updated in accordance with this clause. The timeliness of updates to decommissioned status are discussed in **section 4.1**.

There are no ICPs pending decommissioning.

Audit outcome

Compliant

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

The price category code table on the registry was examined.

Audit commentary

KIPT created one new price category code during the audit period and the correct notice period was given.

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

KIPT has created four new loss category codes during the audit period. The required notice period was not provided for one new loss category code.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 5.1 With: Clause 21 of Schedule 11.1 From: 01-Oct-19 To: 28-Feb-21	New loss code KPPLV2 was created, but the required 2 months' notice was not provided. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as they are sufficient to prevent the late updates most of the time. The audit risk rating is deemed to be low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
KPPLV2 was setup as a result of an SB ICP being added to The Plaza Embedded Network to enable solar to be installed on the property and appropriately reconciled back into the Embedded Network, the decision to put in with less than 2 months' notice was made purposely and in agreement with the Trader on this ICP.		09/10/2019	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
As above this was a one off and the timeframes for loss factor updates are followed under normal circumstance.	09/10/2019	

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

KIPT has updated nine loss factor codes during the audit period, and all were notified within the required period. There was only one loss factor per category code per month.

Network	Loss Code	Loss Factor	Start Date	Last Updated
KIPT	AMPC03	1.0104	1/05/2021	26/02/2021
KIPT	APCLV1	1.0104	1/05/2021	26/02/2021
KIPT	APLR1	1	1/03/2011	6/06/2019
KIPT	KMWLV1	1.0142	1/07/2019	29/04/2019
KIPT	KPPLV1	1.0473	1/05/2019	1/03/2019
KIPT	KRALV1	1.024	1/05/2021	26/02/2021
KIPT	KTWLV1	1.0142	1/07/2019	29/04/2019
KIPT	KWGLV1	1.0104	1/05/2021	26/02/2021
KIPT	SYLLV1	1.0104	1/05/2021	26/02/2021

APLR1 was updated but there was no change to the loss code hence the start date is 1/03/2011.

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 of 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

No NSPs were created or decommissioned during the audit period, therefore compliance was not assessed.

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 NSPs were created, decommissioned or changed 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

No balancing areas were changed 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 on the registry was examined.

Audit commentary

No NSPs were created 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 areas were changed 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 on the registry was examined.

Audit commentary

No 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 on the registry was examined.

Audit commentary

KIPT has not acquired any new networks.

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 management of this process is discussed in the TENCO report. The NSP table was examined.

Audit commentary

The process followed by TENCO is compliant. The NSP table was reviewed:

Distributor	NSP POC	Description	MEP	Certification expiry
KIPT	APC0011	APEX MEGA CENTRE	AMCI	10/08/2021
KIPT	KCH0011	KIWI CENTREPLACE WEST	AMCI	16/10/2021
KIPT	KCH0012	KIWI CENTREPLACE EAST	AMCI	12/06/2021
KIPT	KCH0014	KIWI CENTREPLACE TOWER	AMCI	4/10/2025

Distributor	NSP POC	Description	MEP	Certification expiry
KIPT	KPP0011	KIWI PLAZA	AMCI	4/03/2021
KIPT	KRA0111	KIWI ROYAL SUN ALLIANCE CENTRE	AMCI	13/04/2021
KIPT	KTW0011	KIWI TERTWO	AMCI	29/05/2023
KIPT	KWG0011	WESTGATE ZONE 7 AUCKLAND	AMCI	23/03/2021
KIPT	LMC0011	Lynn Mall	AMCI	30/03/2022
KIPT	NTL0011	Northland Shopping Mall	AMCI	30/03/2022
KIPT	SYL0113	SYLVIA PARK	AMCI	19/05/2021

All were recertified within the audit period. All but one, were notified to the Reconciliation Manager within the required timeframe. NSP SYL0113 appeared to be expired in the Network Supply Point table with an expiry date of 19 May 2020. Investigation determined this was an error, the NSP was certified, and the correct expiry date was 19 May 2021. This has now been corrected, this is recorded as a technical non-compliance.

All NSP's have certified metering installations, except for NSP KWG0011 and KPP0011, these are in the process of being recertified. This is in the process of being recertified and the 20 days allowed to update the Network Supply Point table has not elapsed at the time of writing this report.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.8 With: Clause 10.25 (1), and 10.25 (3) From: 19-May-20 To: 28-Feb-21	One NSP (SYL0113) appeared to be expired in the NSP report with an expiry date of 19/05/20. Investigation determined this was an error, the NSP was certified, and the correct expiry date was 19/05/21, this has now been corrected, this is recorded as a technical non-compliance. 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 rated as strong, as they are sufficient to prevent the late updates most of the time. The audit risk rating is deemed to be low as this has no direct impact on reconciliation.

Actions taken to resolve the issue	Completion date	Remedial action status
As noted, this has been corrected during the audit period from 19/05/2020 to 19/05/2021 per the MEP's records.	April-2019	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
We have strong controls in place for the monitoring of NSP metering expiries and are working proactively with the MEP on these meter points to ensure that we receive timely provision of new metering certs.	Ongoing	

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

No NSPs were created 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 month's notification is required before the acquisition (Clause 29(2) of Schedule 11.1).

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

Audit observation

The NSP table on the registry was examined.

Audit commentary

KIPT has not acquired any networks.

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 management of this process is discussed in the TENCO contractor report. The Network Supply Points table was examined to determine whether there have been any MEP changes during the audit period.

Audit commentary

There have been no MEP changes during the audit period.

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 table on the registry and the event detail report for the audit period were examined.

Audit commentary

KIPT has not acquired any networks during the 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 table on the registry was examined.

Audit commentary

KIPT has not acquired any networks during the period.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

The registry list was examined to determine compliance.

Audit commentary

Examination of the registry list confirmed that no shared unmetered load is connected.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list was examined to determine compliance.

Audit commentary

Examination of the registry list confirmed that no shared unmetered load is connected.

Audit outcome

Compliant

8. CALCULATION OF LOSS FACTORS

8.1. Creation of loss factors (Clause 11.2)

Code reference

Clause 11.2

Code related audit information

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

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

Audit observation

The calculation of loss factors is discussed in the TENCO report.

Audit commentary

Compliance is recorded for TENCO.

TENCO derives loss factors for loss category codes from the published parent network loss factors for similar installations. It is expected that ICPs on embedded networks will have the same loss factor as a similar type of connection on the parent network.

To do this, TENCO determines the gateway loss factor from the LE ICP's loss factor, then determines the local network loss factor which would be likely to apply to the embedded network ICPs if they were connected to the local network. TENCO then calculates the overall loss factor and multiplies this by the local network loss factor to determine the value for each embedded network loss factor code. I checked the calculations for the loss factors that are applied and confirm that they are being calculated correctly.

I checked the UFE for the KIPT network and the losses are not within the +/-1% guidelines. UFE for this network includes the usage of power in common areas load and as this network is settled by difference, it does not fall within the +/-1% threshold but is compliant.

The SB ICP loss factors were checked. A residual loss factor needs to have an internal loss factor of 1.00 so as the RM calculations of the volume are correct. Three SB ICPs were previously found to have the incorrect loss factor applied; these have all been corrected.

Audit commentary

Compliant

CONCLUSION

KIPT has changed contractors from TEG Associates to TENCO. A material change audit was completed in relation to this change in October 2019. TENCO performs all KIPT's responsibilities.

Overall, the level of compliance was found to be high with strong controls recorded. This audit found eight non-compliances and makes no recommendations.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of eight, which results in an indicative audit frequency of 18 months. I have considered this in conjunction with KIPT's comments and agree with this recommendation.

PARTICIPANT RESPONSE

Tenco on behalf of KIPT have reviewed the above audit report on the 27/04/2021 and are in agreeance with the findings contained within it.