

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**

For

**ALPINE ENERGY LIMITED**  
**NZBN: 9429039239013**

Prepared by: Rebecca Elliot

Date audit commenced: 17 September 2021

Date audit report completed: 4 October 2021

Audit report due date: 4 November 2021

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## EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Alpine Energy Ltd (Alpine Energy)** 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.

Alpine is still working on the project to automate their customer interface workflow which will feed information into the ICP database. This will assist in improving the return of paperwork from the field. A material change audit is planned before the customer interface workflow goes live to ensure that Alpine can meet its code requirements.

The audit found that the corrections required that were identified in the last audit have all been corrected. New processes have been implemented to monitor and manage fieldwork and the audit compliance reporting is now being used to ensure information accuracy and timeliness of registry updates.

As detailed in the last audit, Alpine Energy advised that the new categories and loss factors would be updated for the next financial year, but this has not been completed. Examination of UFE indicates that the current loss factors are too high with negative losses continuing to increase. Alpine advised they are working to get the loss factors updated.

Overall, the level of compliance has been improved by using the AC020 reports and monitoring field work. The audit found eight non-compliances, one recommendation and repeats two recommendations. The audit risk rating is 21, and the next audit frequency table indicates that the next audit be due in six months. I have considered this in conjunction with Alpine Network's responses and the overall improvement in the level of compliance and robust processes in place and I recommend that the next audit is in 12 months.

The matters raised are set out in the table 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)	Three ICPs electrically connected during the audit period with no initial electrical connection date recorded.  Incorrect IECD dates populated for 27,000 ICPs prior to the requirement to populate this information.	Moderate	Low	2	Identified
Removal or breakage of seals	2.3	48(1A) and 48(1B) of Schedule 10.7	Alpine did not seal the terminal cover for ICP 0006473601AL29E after the visiting the site.	Moderate	Low	2	Identified
Provision of information on dispute resolution scheme	2.4	11.30A	Utilities Disputes information is not provided across all correspondence queries and phone communications with consumers.	Weak	Low	3	Identified
Provision of ICP Information to the registry manage	3.3	11.7	Three ICPs became active during the audit period but had no initial electrical connection date populated.	Moderate	Low	2	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	38 late initial electrical connection date updates.	Moderate	Low	2	Identified
Changes to registry information	4.1	8 Schedule 11.1	379 late pricing updates.  Four late address updates.  Six late status updates.  Seven late network updates.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			Three late distributed generation updates.				
Distributors to Provide ICP Information to the Registry manager	4.6	7(1)(o) & (p) Schedule 11.1	<p>Incorrect NSP dedicated/non-dedicated flag applied to some ICPs.</p> <p>Three electrically connected ICPs with no initial electrical connection date recorded.</p> <p>Six ICPs with the incorrect initial electrical connection date recorded.</p> <p>Incorrect IECD dates populated for a large number of ICPs prior to the requirement to populate this information.</p>	Moderate	Low	2	Investigating
Creation of loss factors	8.1	11.2	Loss factors are not accurate in relation to reconciliation losses.	Medium	Weak	6	Identified
Future Risk Rating						21	

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
Removal or breakage of seals	2.3	Load control switch bridging	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.
Distributors to Provide ICP Information to the Registry manager	4.6	Distributed Generation	Monitor the EIEP1 reports to identify ICPs with "I" flow where none is expected and check for any negative values as this may indicate where distributed generation is present without import/export metering installed.
		Distributor unmetered load details	Put a process in place for all unmetered load new connections so that these are loaded when an unmetered load new connection has its initial electrical connection date populated. and check the load details against the application form. Check any discrepancies with the trader.

## 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 Electricity Authority website was checked to determine whether Alpine Energy has any code exemptions in place.

#### Audit commentary

Review of exemptions on the Electricity Authority website confirmed that there are no exemptions in place relevant to the scope of this audit.

### 1.2. Structure of Organisation

Alpine provided a copy of the relevant parts of the organisation structure:

						Andrew Tombs CEO		
Damien Whiffen GM Service Delivery			Willem Rawlins GM Asset Management			John Creagh Safety & Risk Manager	Regulatory & Commercial	
Rick Liew Operations Manager		Chris Brightwell Network Programme Delivery Manager	Johan Hendriks Planning Manager	Bruno Lagesse Team Leader Engineering	Jacobus Vermeulen Asset Lifecycle Manager	Elizabeth Meyer Safety & Risk Systems Administrator	Nathan Astwood Commercial & Regulatory Analyst	
Charles Hough Team Leader Network Control		David Van Eeden Project Manager	Bishoy Mikhail Planning Engineer	Ivan Streltsov Electrical Engineer	Geronimo Spinosa Asset Lifecycle Engineer	Karla Morrison Safety & Risk Systems Advisor	Tarryn Butcher Commercial & Regulatory Analyst	
Chris Venter Network Controller	Taylor Allan Customer Services Support Off	Pete Cowan Project Manager	Izak Kruger Planning Engineer	Neels Erasmus Electrical Engineer	Mark Struthers Asset Lifecycle Engineer	Scott Murray Safety & Risk Operations Advisor		
Kevin Kemp Network Controller		Rachel Carr Network Procurement & Contracts /	Kyle Fitchat Planning Engineer		Richard Smith Maintenance Project Manager			
Muller Rothmann Network Controller	John Watkins Team Leader Customer Conne	Rene Kemp Delivery Support Officer		Rex McDonald Team Leader O/H Lines				
Philip Dawrant Network Controller	Dave Sutton New Connections Project Lead	Haidee Rayner Vegetation & Drone Ops		Daniel Shadbolt Project Engineer	Andrew Spackman Maintenance & Asset Info Manager			
Ropate Lotti Network Controller	Marius La Grange New Connections Project Lead			Ian Clarke Project Engineer	Robyn Hay Asset Information Support			
Samantha Abbot Trainee Network Controller	Marius Van Rooyen New Connections Project Lead			Matheus Le Roux Project Engineer				
Tim Blackman Network Controller	Michael Plows New Connections Project Lead			Rachael Moore Engineering Support Office	Lorienne Hansen Team Leader Supervising Draughtsperson			
Greg Smart SCADA Comms Engineer	Michael Rose New Connections Project Lead				Brian Purcell Draughting Technician			
Mark Gilchrist Team Leader Outage Planner	Peter Bennett Network, Connections & DG Officer				David Crequer GIS & Draughting Technician			
John Hyland Senior Outage Planner	Kai Ruemenapf Advanced Metering Officer				Simon Black Senior Draughting Technician			
Thomas Oldfield SCADA Comms Engineer					Manuele Messeri GIS Administrator			
					Amit Bhandari GIS Analyst			
					James Kissell Student GIS Technician			
					Leslie Becker GIS Technician/Analyst			
					Roger Farmer GIS Senior Network Data Officer			
					Vidhya Mithundas GIS Technician			
					Zane Cirule GIS Technician			



### 1.3. Persons involved in this audit

Veritek Auditors:

Name	Role
Rebecca Elliot	Lead Auditor
Claire Stanley	Supporting Auditor

Personnel assisting in this audit were:

Name	Title
Hayden Darling	Customer Services Manager
Peter Bennett	Metering Officer
Kai Ruemenapf	Project Co-ordinator
Taylor Allan	Customer Services Support Officer
Tarryn Butcher	Commercial & Regulatory Analyst

### 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

The use of contractors was discussed with Alpine Energy.

#### Audit commentary

Alpine engages the following contractors to work on their network.

- John Hardie - independent contractor, and
- Net Con Ltd.

Alpine understands that they are responsible for code compliance.

## 1.5. Supplier List

Alpine Energy has provided the list of sub-contractors authorised to perform livening activities on their network in **section 1.4**.

## 1.6. Hardware and Software

Alpine Energy uses the following systems:

- Microsoft Access database and VB application for the ICP database, which is used to maintain registry information,
- Microsoft SQL Server and VB.Net application for the G.E.M.A. GIS, and
- AXOS for billing.

Access to the databases is restricted through network access permissions, and access to the network is restricted using logins and passwords.

The ICP database and GIS are fully backed up every night, with incremental backups every 15 minutes. The GIS is backed up as part of Alpine Energy's virtual systems and the ICP database is backed up to a physical server in a separate location.

As mentioned in the previous audit, Alpine still intends to change the customer interface and move the management of all customer and contractor interactions to be online. This is still in the development phase. The customer interface piece of work will act a workflow tool to prompt the responsible party to complete the allocated action. A material change audit is planned before the customer interface goes live to ensure that Alpine can meet its code requirements.

## 1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there have been no alleged breaches for Alpine Energy.

## 1.8. ICP and NSP Data

Alpine Energy has responsibility for the NSPs in the table below. There have been no changes to the NSPs during the audit period.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of active ICPs
ALPE	ABY0111	ALBURY			CENTRALALPEG	G	1/01/2012	1,646
ALPE	BPD1101	Bells Pond			CENTRALALPEG	G	1/01/2012	626
ALPE	STU0111	STUDHOLME			CENTRALALPEG	G	1/01/2012	3,269
ALPE	TIM0111	TIMARU			CENTRALALPEG	G	1/01/2012	18,140
ALPE	TKA0331	TEKAPO A			TKA0331ALPEG	G	1/05/2008	982
ALPE	TMK0331	TEMUKA			CENTRALALPEG	G	1/01/2012	6,876
ALPE	TWZ0331	TWIZEL			TWZ0331ALPEG	G	1/05/2008	1,680

There are also two embedded networks connected to Alpine Energy's network. There have been no changes to the NSPs during the audit period.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date
MOPO	MMP0111	MACKENZIE PARK	TWZ0331	ALPE	MMP0111MOPOE	E	1/05/2008
MOPO	MMT0111	MANUKA TERRACE	TWZ0331	ALPE	MMT0111MOPOE	E	1/05/2008

A summary of Alpine Energy's ICPs by status is shown in the table below:

Status	Number of ICPs (2021)	Number of ICPs (2021)	Number of ICPs (2020)	Number of ICPs (2019)
New (999,0)	0	0	0	0
Ready (0,0)	39	58	47	38
Active (2,0)	33,219	33,086	32,995	32,742
Distributor (888,0)	2	2	2	2
Inactive – new connection in progress (1,12)	36	29	19	19
Inactive – electrically disconnected vacant property (1,4)	502	475	500	502
Inactive – electrically disconnected remotely by AMI meter (1,7)	123	112	108	79
Inactive – electrically disconnected at pole fuse (1,8)	15	9	9	12
Inactive – electrically disconnected due to meter disconnected (1,9)	2	2	2	0
Inactive – electrically disconnected at meter box fuse (1,10)	1	3	2	1
Inactive – electrically disconnected at meter box switch (1,11)	0	0	0	1
Inactive – electrically disconnected ready for decommissioning (1,6)	0	18	24	2
Inactive – reconciled elsewhere (1,5)	0	0	0	0
Decommissioned (3)	2,537	2,529	2,509	2,528

## 1.9. Authorisation Received

A letter of authorisation was provided.

### 1.10. Scope of Audit

This Distributor audit was conducted at the request of **Alpine Energy Ltd (Alpine Energy)** to encompass the Electricity Industry Participation Code requirement for an audit in accordance with clause 11.10 of part 11.

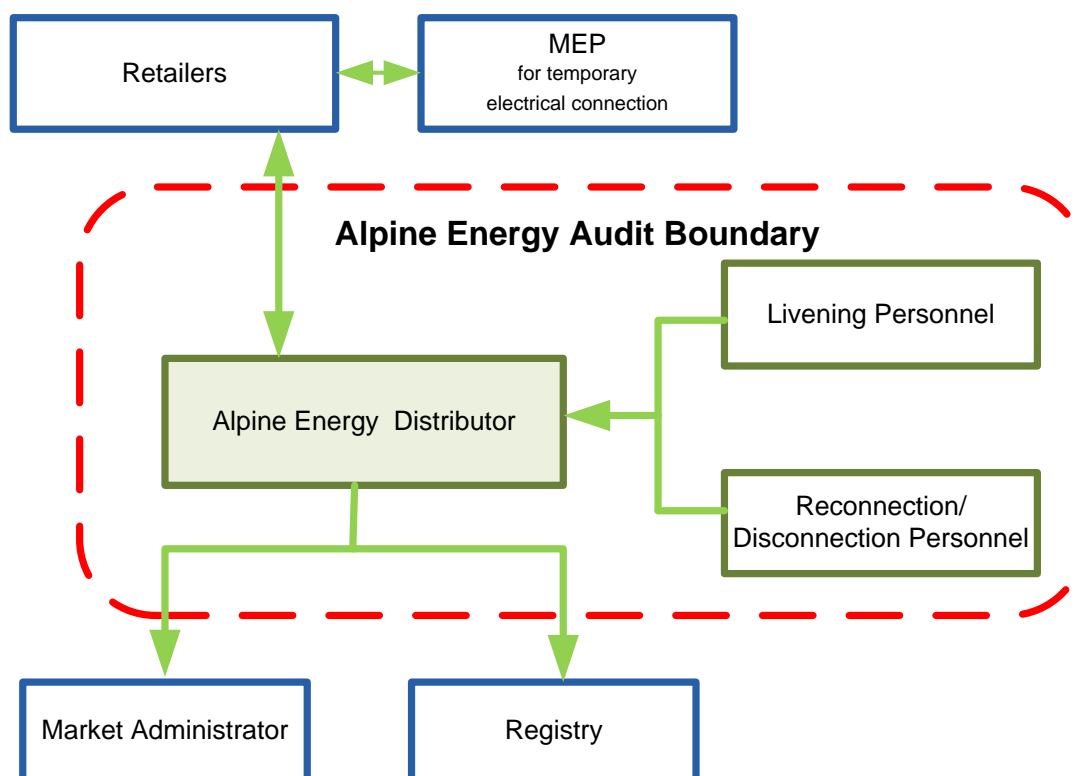
The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

The audit was carried out on site on 21 September 2021.

The table below shows the tasks under clause 11.10(4) of Part 11, which Alpine Energy is responsible for. There are no other agents 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 Alpine Energy audit boundary shown for clarity.



### 1.11. Summary of previous audit

I reviewed the previous audit conducted in March 2021 by Rebecca Elliot of Veritek Limited. The audit recorded eight non-compliances and made four recommendations. The current status of the non-compliances and recommendations is listed below.

#### Table of Non-compliance

Subject	Section	Clause	Non-compliance	Status
Submission of audit report	1.12	16A.13	Audit report not provided to the Authority by the participant by the due date.	Cleared
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	Six ICPs with no initial electrical connection date recorded.	Still existing for different ICPs
			Three ICPs electrically connected during the audit period with no initial electrical connection date recorded.	
			27,000 ICPs with the incorrect initial electrical connection date recorded prior to the date being populated was required.	Still existing
			ICP 0004282423ALD60 has incorrect initial electrical connection date populated.	Cleared
			Two unmetered load ICPs electrically connected during the audit period with no unmetered load recorded.	Cleared
			ICP 0001123465AL1E4 has been decommissioned but has yet to be updated on the registry.	Cleared
			ICP 0002252075ALB2E has been decommissioned but has a status of ready for decommissioning recorded on the registry.	Cleared
			ICP 0001890253AL261 has a status reason code of 2 (Installation Dismantled) applied but should have had 1 (Setup in error) applied.	Cleared
			20 network updates had incorrect event dates recorded.	
Requirement to correct errors	2.2	11.2(2) and 10.6(2)	Corrections not made as soon as practicable.	Cleared

Subject	Section	Clause	Non-compliance	Status
Provision of ICP Information to the registry manager	3.3	11.7	Six ICPs became active during the audit period but had no initial electrical connection date populated.	Still existing for different ICPs
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	44 late initial electrical connection date updates.	Still existing for different ICPs
Changes to registry information	4.1	8 Schedule 11.1	Two late address updates. 310 late pricing updates. 16 late status updates. 29 late network updates. 25 late distributed generation updates.	Still existing for different ICPs
Distributors to Provide ICP Information to the Registry manager	4.6	7(1)(o)&(p) Schedule 11.1	Six electrically connected ICPs with no initial electrical connection date recorded.  Three ICPs with the incorrect initial electrical connection date recorded.  Incorrect IECD dates populated for a large number of ICPs prior to the requirement to populate this information.  ICPs 0004282423ALD60 has the incorrect initial electrical connection date populated.  Two unmetered ICPs with no unmetered load details recorded.	Still existing for different ICPs      Cleared  Cleared
Management of “decommissioned” status	4.11	20 Schedule 11.1	ICP 0001123465AL1E4 has been decommissioned but has yet to be updated on the registry.  ICP 0001890253AL261 has a status reason code of 2 (Installation Dismantled) applied but should have had 1 (Setup in error) applied.	Cleared  Cleared
Creation of loss factors	8.1	11.2	Loss factors are not accurate in relation to reconciliation losses.	Still existing

**Table of Recommendations**

Subject	Section	Recommendation	Description	Status
Requirement to provide complete and accurate information	2.1	Registry validation	Utilise the AC020 reporting to assist with identifying potential data discrepancies.	Cleared
Distributors to Provide ICP Information to the Registry manager	4.6	Distributed Generation	Monitor the EIEP1 reports to identify ICPs with “I” flow where none is expected and check for any negative values as this may indicate where distributed generation is present without import/export metering installed.	Still existing
Notice of NSP for each ICP	4.6	Distributor unmetered load details	Put a process in place for all unmetered load new connections so that these are loaded when an unmetered load new connection has its initial electrical connection date populated. and check the load details against the application form. Check any discrepancies with the trader.	Still existing
Management of “decommissioned” status	4.11	Management of “decommissioned” status	Contact the trader for any ICPs that have been moved to this status but for which there has been no request to decommission to ensure that the number pending is managed.	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 of 30 June 2021 and the combined audit compliance reports for the period from 1 January 2021 to 30 June 2021 were examined to confirm compliance.

#### Audit commentary

##### Registry synchronisation

ICP information is maintained in the ICP database. When data maintained by the distributor on the registry is updated in the ICP database, the update is automatically sent to the registry.

Acknowledgement files are imported into the database, and reports are run to identify any failed updates each morning. Issues are investigated and corrected, the recommendation from the last audit to use the audit compliance reporting to assist with identifying discrepancies has been implemented.

The registry LIS file is also used to identify status changes such as a retailer moving a new connection to “active” status, or an existing ICP to “ready for decommissioning” status. These changes are provided to the metering officer, who follows up paperwork for new connections, the applications for decommissioning. The ICP database and registry are updated as necessary.

##### Registry and data validation

The ICP notifications database is used to check the data held in Alpine Energy’s systems against the registry information daily. Discrepancies are identified and resolved.

All open contractor jobs are checked daily, to confirm whether they have been completed. Paperwork from the field is received electronically, and it is manually updated into the system. Paperwork is followed up if necessary, so that the ICP database and registry can be updated. Additional checks have been implemented to check the accuracy of the information returned from the contractor.

The AC020 reporting is being utilised to identify trader or MEP information which is inconsistent with the distributor information. Inconsistencies could indicate that distributor information requires review or update, such as:

- addition of trader unmetered load details, where no distributor unmetered load is recorded,
- addition of a trader profile which is used for distributed generation (e.g., PV1 or EG1), where no distributor generation is recorded,
- addition of meters with flow direction I, where no distributor generation is recorded, and
- unmetered load.



### **Initial electrical connection dates**

The audit compliance reporting identified three ICPs with no initial electrical connection date recorded. These were examined and found that the “status” field in the Alpine database was not updated to the correct status which resulted in the information not being sent to the registry. This is a user error and Alpine will address this with additional training. This is recorded as non-compliance below and in **sections 3.3 and 4.6**.

I rechecked the ICP 0004282423ALD60 electrically connected during the last audit report with an incorrect initial electrical connection date and confirmed that this has been corrected.

As found in the previous two audits, there are 27,000 ICPs all electrically connected before the code requirement came into effect on 29 August 2013 that have an initial electrical connection date populated of 4 October 2002. Alpine is reluctant to run a bulk update in the system without understanding other impacts that may result from deleting the date in the initial electrical connection field in the ICP database. Therefore, Alpine cannot correct this until the database is replaced.

### **Decommissioning**

I rechecked the following ICPs from the last report:

- ICP 0001123465AL1E4 was identified as being decommissioned but not updated on the registry; this has now been decommissioned.
- ICP 0001102399AL582 was still at “ready for decommissioning” status; this has now been decommissioned.
- ICP 0001890253AL261 had a status reason code of 2 (Installation Dismantled) applied but should have had 1 (Setup in error) applied; this has been corrected.

### **Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: Clauses 11.2(1) and 10.6(1)  From: 01-Jan-21 To: 30-Jun-21	Three ICPs electrically connected during the audit period with no initial electrical connection date recorded. Incorrect IECD dates populated for 27,000 ICPs prior to the requirement to populate this information. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate with areas of improvement identified. The audit risk rating is low as the discrepancies identified have little or no direct impact on reconciliation.		
Audit Comments for reference		Completion date	Remedial action status
The AC020 report function was only picked up prior to our 2021 Audit after our report training session with Veritek, since then we have implemented this report running to pick up any errors that may occur.		Completed	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
The running of the AC020 report twice weekly between Peter and Kai now ensures any IECD date conflict is now identified, checked and adjusted as required		In place	

## 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

Alpine Energy's data management processes were examined. The registry list file as of 1 January 2021, and the combined registry compliance audit reports covering the period from 1 January 2021 to 30 June 2021 were examined to confirm compliance.

### Audit commentary

Alpine Energy have introduced new processes and procedures to ensure they provide correct and accurate information. Registry notification files are checked daily, and the audit compliance reporting is used to check for discrepancies. Any discrepancies found are investigated and updated as required.

### 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 personnel 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 whether load control devices existed on the network. The management of removal and breakage of seals was discussed.

### Audit commentary

Alpine may remove or break a seal to bridge load control switches after hours as a result of direct contact from a customer. The trader is advised, and a job is requested to complete the unbridging and resealing work by Delta ATH. Five examples of these types of jobs were identified during the audit. Alpine did not seal the terminal cover for ICP 0006473601AL29E after the visiting the site.

I recommend that Alpine 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.	All after hours FSP are trained registered and qualified staff. Alpine has put in place training material and guidelines for Alpine FSP works and manuals with appropriate forms for our distribution faults teams	Identified
	Prepare and maintain a training and competency schedule for all relevant personnel.	As covered above. A training competency matrix is in place for all staff within Alpine and NETcon	Identified
	Ensure that re-sealing occurs when bridging activities are conducted by non-ATH approved personnel.	Resealing a meter after bridging had been overlooked. Since the Audit we have addressed this and have arranged to procure "Alpine" seals to be used before the unbridging fix is completed and the ATH seal is installed	Identified
	Ensure MEPs are notified as well as traders that bridging has occurred.	As part of our meter fault/bridging process we have added MEP to the Trader notification step.	Identified

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.3 With:  From: 01-Jan-21 To: 30-Jun-21	Alpine did not seal the terminal cover for ICP 0006473601AL29E after the visiting the site.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.  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
Resealing a meter after bridging had been overlooked. Since the Audit we have addressed this and have arranged to procure "Alpine" seals to be used before the un-bridging fix is completed and the ATH seal is installed. Process and Training updates to FSP staff will be provided by Peter and Kai		Under way	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We are well under way with the seals, processes have been worked on and the MEP notification is completed. We have also added an internal report to ensure all bridged sites are monitored and fault resolved.		Will be all completed in November 2021	

## 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 for Alpine Energy was examined to determine compliance. The Alpine Energy Network website was checked and one example of correspondence to a consumer was provided by Alpine.

### Audit commentary

The website and one example of correspondence to a consumer 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 Alpine website is provided by selecting 'Complaints' and includes contact details and a link to the Utilities Disputes website. The Utilities Disputes information is not provided across all correspondence queries, and phone communications with consumers, and Alpine are working through the requirements to address this.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.4 With: 11.30A  From: 01-Jan-21 To: 30-Jun-21	Utilities Disputes information is not provided across all correspondence queries and phone communications with consumers.  Potential impact: Low  Actual impact: Low  Audit history: None  Controls: Weak  Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as weak because Alpine do not provide Utility Dispute information across all correspondence queries. Alpine are working to address this.  The impact is low as information is available but is also required for all correspondence via phone or written.		
Actions taken to resolve the issue		Completion date	Remedial action status

<p>As per the Guidelines received after workshops with the EA we need to raise awareness to the Utility Disputes. It is to note that the below clauses are non-prescriptive. It sets out</p> <p>As from the 01 April 2021 new clauses 11.30A and 11.30E of the code will:</p> <ul style="list-style-type: none"> <li>a) Require all retailers and distributors to provide clear and prominent information about Utility Disputes: <ul style="list-style-type: none"> <li>1. On their website</li> <li>2. When responding to queries from consumers</li> <li>3. In outbound communications directed to consumers about electricity services and bills.</li> </ul> </li> </ul> <p>The code requires that clear and prominent information must only be provided once in a conversation under the Code, even though it does not override the obligation under the Utilities Disputes Scheme rules to provide the information at specific times during the dispute process.</p> <p>Clause 11.30D describes how participants do not need to continue to provide information about the Utility Disputes in any subsequent consumer communications on the same matter.</p> <p>Therefore in a series of related communication between the participant and consumer, the participant needs to provide this information in a t least one communication in that series.</p> <p>Directed outbound communications means personalized for a specific named customer about consumer electricity services and bills.</p> <p>Given the complexities around the Privacy Act we do not personalize (specifically name) a consumer on our communications. However we do raise awareness to the Utilities Disputes in these communications.</p> <p>The message should be fit for purpose in achieving the goal of raising consumer awareness of the services of the Utility Disputes</p> <p>As per the scheme rules:</p> <p>12. Each Provider must: a) promote the relevant Scheme(s) on any invoice to customers and in other relevant customer information.</p> <p>b) have and comply with a documented Complaints process appropriate to the nature of their services and scale of their operations, including providing and keeping up to date information about the staff member(s) responsible for complaint handling.</p>	<p>Has been in affect prior to the 01 April 2021 as per the scheme rules.</p>	<p>Identified</p>
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<p>c) provide information about their Complaints process to their customers or consumers.</p> <p>d) ensure Complaints can be made in any reasonable form and are promptly recognised as Complaints</p> <p>e) promptly refer Complaints made to them in error to the correct Provider.</p> <p>f) provide Utilities Disputes' contact details to Complainants when:</p> <ul style="list-style-type: none"> <li>• the Complainant first makes the Complaint to the Provider,</li> <li>• advising the Complainant of the outcome of the Provider's Complaints handling system, or,</li> <li>• the Complaint has reached Deadlock. g) when advising Complainants of the outcome of Complaints dealt with by the Provider's Complaints handling system, also advise Complainants that they may complain to Utilities Disputes, if they are not satisfied with that outcome.</li> </ul>		
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Completion date</b>	



<p>We have the Utilities Disputes information on:</p> <ol style="list-style-type: none"> <li>1. All invoices going directly to consumers</li> <li>2. A link on the website raising awareness of the Utilities disputes</li> <li>3. When we respond to a complaint, we raise awareness to the Utilities Disputes in the footer of the correspondence we have with the complainant.</li> <li>4. We are adding in the details onto our email signature</li> <li>5. We are creating a email address to specifically deal with complaints and thus making the consumer aware.</li> <li>6. We are looking at replacing our current phone management system and we will then be able to have a more automated response when a consumer is calling in with a complaint.</li> </ol> <p>We have complaints register where we log the complaint and track the correspondence with the consumer.</p> <p>A consumer has a number of avenues to lodge a complaint either via formal routes such as our website and email to social media platforms.</p>	<p>The first 3 points we implemented pre 01 April 2021.</p> <p>We have requested our digital services team to create and setup the email account.</p> <p>As we are busy with our digital strategy implementation of this will be addressed as we have the correct software to enable us to automate the responses.</p> <p>We have a complaints process workflow document explaining the process and when to escalate the process.</p>	
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### 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 195 created were sampled using diverse characteristic methodology from the point of application through to when the ICP was created.

##### Audit commentary

Alpine Energy creates ICPs as required by clause 1 of schedule 11.1. The process in place is robust and has good controls in place. The sample checked in **section 3.2** below confirms this.

##### Audit outcome

Compliant

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

##### Code reference

Clause 11.5(3)

##### Code related audit information

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

##### Audit observation

The new connection process was examined in detail. Ten new connection applications of the 195 created during the audit period were checked from the point of application through to when the ICP was created. These were selected using the diverse characteristic methodology to confirm the process and controls worked in practice.

##### Audit commentary

Alpine Energy receives new connection requests from customers' agents, normally electricians, who provide a completed Network Application form on which a retailer is nominated. These are received electronically.

Network engineers evaluate each application to ensure network capacity is available at the requested location. The application is then returned to the new connection's personnel where an ICP identifier is created in the ICP database and moved to "ready" status once approval from the trader is received. The registry is automatically updated from the ICP database. A spreadsheet is used to manage and monitor new connections in progress, which is monitored on a daily basis.

The new connections checked were requested by the customer or customer's agent, not the trader. All the ICPs were created within three business days of the date the request was received.

#### **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 195 ICPs 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**

Alpine Energy has a fully automated registry update process to ensure all information listed in this clause is provided to the registry. Information was provided as required by this clause for all ICPs created during the audit period, except for three newly electrically connected ICPs with no initial electrical connection dates recorded. This is recorded as non-compliance below and in **sections 2.1 and 4.6**.

#### **Audit outcome**

Non-compliant

Non-compliance	Description		
Audit Ref: 3.3 With: Clause 11.7  From: 01-Jan-21 To: 30-Jun-21	Three ICPs became active during the audit period but had no initial electrical connection date populated.  Potential impact: Low  Actual impact: Low  Audit history: Once previously  Controls: Moderate  Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate as this is usually captured but there is room for improvement.  Most of the initial electrical connection dates were populated. The impact on participants is minor because this field is used to validate other fields against.		
Actions taken to resolve the issue		Completion date	Remedial action status
Human error is still possible within our current ICP database, any reporting within our ICP system for fields with no information populated does not exist. We have now implemented the AC020 report to pick up these errors.		In place	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Kai and Peter run the reports twice weekly to identify and inconsistencies and update the database as required		Completed	

### 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 registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 January 2021 to 30 June 2021 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 195 ICPs new ICPs created and electrically connected. All 195 ICPs were created as soon as practicable and prior to electrical connection.

## Audit outcome

Compliant

### 3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule 11.1)

#### Code reference

*Clause 7(2A) of Schedule 11.1*

#### Code related audit information

*The distributor must provide the information specified in subclause (1)(p) to the registry manager no later than 10 business days after the date on which the ICP is initially electrically connected.*

#### Audit observation

The process for populating initial electrical connection dates was examined.

The combined registry compliance audit reports covering the period from 1 January 2021 to 30 June 2021 were examined to determine the timeliness of the provision of the initial electrical connection dates for the 195 completed new connections, 151 ICPs were electrically connected. 40 ICPs were identified where the IECD was populated late.

A typical sample of 10 late updates were checked to determine why they were delayed.

#### Audit commentary

All network and meter connections are now completed on the same day by the same contractor.

Alpine Energy updates the initial electrical connection date to match the date work was completed, as detailed on the returned job. As part of this process any information which has changed from the initial application (e.g., clarification of address or pricing information) is updated. The AC020 reporting is now used to identify ICPs that require updating.

The sample of ten were checked and found:

- one was the result of late paperwork provided by the contractor,
- one update was adding distributed generation detail, it was not an update to the IECD,
- one was correcting the load group, it was not an update to the IECD,
- one was an update from BTS to permanent supply, it was not an update to the IECD, and
- six ICPs were as a result of a correction following the last audit.

Analysis of the remaining ICP's on the report also indicated these are a result of Alpine starting to use the AC020 report to identify these errors and correcting the data following the last audit therefore the number of late updates in the next audit is expected to be much lower.

#### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 01-Sep-19 To: 31-Dec-20	38 late initial electrical connection date updates. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate, there has been an improvement with the use of the audit compliance reporting. Most initial electrical connection dates were populated on time. The impact on participants is minor because this field is used to validate other fields against.		
Audit Comments for reference		Completion date	Remedial action status
Process and improvements have been put in place since our previous audit, we are still reliant on our FSP to return paperwork to us timely which is now monitored however there is still delays. Kai and Peter now have in place the AC020 report twice weekly that is capturing the remaining data conflicts		In place	Identified
Preventative actions that were planned		Completion date	
We had hoped to have in place a fully electronic workflow system which would assist our internal processes and resolve the FSP timeliness as well as data accuracy from the field into our current database. This project was put on hold however may now have the green light to proceed.		In progress	

### 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 was examined in **sections 3.1** and **3.2**.

The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 January 2021 to 30 June 2021 were examined to determine compliance.

### Audit commentary

The new connection process requires applications to be approved by traders.

Trader acceptance is confirmed during the application process. On receipt of an email confirming approval from the trader, the proposed trader is recorded by Alpine.

All ICPs at “ready” have a proposed trader populated in the registry.

Review of the registry list confirmed that no new shared unmetered load was created during the period.

Review of the combined audit compliance reports confirmed that all ICPs were made “ready” after the trader had accepted responsibility.

### Audit outcome

Compliant

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

### Code reference

*Clause 10.31*

### Code related audit information

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

### Audit observation

The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 January 2021 to 30 June 2021 were examined to determine compliance.

### Audit commentary

ICPs will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP. Trader acceptance is confirmed during the application process.

A sample of ten new connections were checked, and trader responsibility was consistently accepted prior to electrical connection.

Review of the combined audit compliance reports confirmed that all ICPs which were initially electrically connected after the trader had accepted responsibility.

### 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 was examined in **sections 3.1** and **3.2**.

The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 January 2021 to 30 June 2021 were examined to determine compliance.

#### Audit commentary

All network and meter connections are completed on the same day by the same contractor.

No ICPs have been temporarily electrically connected during the audit period.

#### 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 5 business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:*

- *the NSP that has been connected*
- *the date of the connection*
- *the participant identifier of the MEP for each metering installation for the NSP*
- *the certification expiry date of each metering installation for the NSP.*

#### Audit observation

The NSP table was reviewed.



### Audit commentary

No new NSPs were created by Alpine Energy 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 was reviewed.

### Audit commentary

No new NSPs were created by Alpine Energy 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:*

*xxxxxxxxxxccc where:*

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

### Audit observation

The process for the creation of ICPs was examined and observed.

### **Audit commentary**

ICP numbers are created within the ICP database. The process for the creation of ICPs was examined, and all ICPs are created in the appropriate format. The sample checked confirmed compliance.

### **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 process of allocation of the loss category was examined. The list file as of 30 June 2021 was examined to confirm all active ICPs have a single loss category code.

### **Audit commentary**

The loss category code is known and assigned at the time of the ICP creation. Each active ICP only has a single loss category, which clearly identifies the relevant loss factor. Loss factors are linked to the load group, which is independently checked as part of the new connections process.

### **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 30 June 2021 and event detail report for 1 January 2021 to 30 June 2021 were examined to determine compliance.

### **Audit commentary**

ICPs on Alpine Energy’s network normally do not require construction and are created when they are ready for activation. ICPs are created at “new” and move to “ready” status when the trader accepts the ICP.

### **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 management of ICPs at the “new” and “ready” status was examined. The combined registry compliance audit reports covering the period from 1 January 2021 to 30 June 2021 were examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

#### Audit commentary

Alpine monitors any ICPs at “new” or “ready” for longer than 12 months to confirm whether they are still required. The audit compliance report found ten ICPs that have been at “ready” for longer than 24 months, these were examined and found:

- three ICPs have been decommissioned as they are no longer required, and
- seven ICPs were confirmed as still required.

Because applications are received from the customer or their agent, rather than the trader, Alpine Energy will follow-up with the customer and/or the electrician as well as the trader.

#### 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 30 June 2021 was reviewed to identify any generation stations with capacity of 10 MW or more and determine compliance.

#### **Audit commentary**

There are no embedded generators with a capacity greater than 10MW that require specific loss category codes.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.33A(4)*

#### **Code related audit information**

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

#### **Audit observation**

Processes were examined for the connection of ICPs and NSPs.

#### **Audit commentary**

Alpine Energy will only connect a point of connection if requested by the trader responsible in the registry. Alpine Energy require a service request providing authorisation to electrically connect an ICP.

#### **Audit outcome**

Compliant

### **3.17. Electrical disconnection 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**

Processes were examined for the disconnection and electrical disconnection of ICPs and NSPs.

#### **Audit commentary**

No ICPs were disconnected or electrically disconnected during the audit period. Alpine Energy understands their responsibilities in relation to this clause. Alpine Energy only conducts electrical disconnection for safety, and they only conduct disconnection where ICPs are to be decommissioned.

#### **Audit outcome**

Compliant

### 3.18. 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 one business day and include the date of bridging in its advice.*

#### Audit observation

The Alpine Energy process for bridging meters was examined.

#### Audit commentary

Alpine Energy may receive a call from a customer after hours, to investigate 'no power'. Alpine Energy will attend the site and may bridge the meter if required. Alpine Energy informs the trader that the meter has been bridged and requests a Service Request to unbridge the meter. The Service Request is sent to Delta by the trader to unbridge and replace the meter.

#### 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 13<sup>th</sup> 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 three business days after the registry manager has advised the distributor that the ICP is ready to be decommissioned, or three business days after the distributor has decommissioned the ICP.*

#### Audit observation

The management of registry updates was reviewed.

The registry list for 30 June 2021 and the registry compliance audit report covering the period from 1 January 2021 to 30 June 2021 was examined. A diverse sample of a minimum of five (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

The table below details the quantity and compliance of registry updates.

Update	Date range	Late	% Compliance	Average Days
Address	2019	13	99.95	1
	1/9/19 to 30/9/20	1	99.97	0.15
	1/10/20 to 31/12/20	1	99.45	1.72
	<b>01/01/21 to 30/06/21</b>	<b>4</b>	<b>98.96</b>	<b>10.74</b>
Price Code	2019	27	99.1	N/A
	1/9/19 to 30/9/20	239	90.71	N/A
	1/10/20 to 31/12/20	71	89	N/A
	<b>01/01/21 to 30/06/21</b>	<b>384</b>	<b>83</b>	<b>N/A</b>
Status	2019	3	94.4	N/A
	1/9/19 to 30/9/20	10	80	4.28
	1/10/20 to 31/12/20	6	68.42	1.74
	<b>01/01/21 to 30/06/21</b>	<b>6</b>	<b>85</b>	<b>15.20</b>

Update	Date range	Late	% Compliance	Average Days
Network (excl. new connection & Distributed Generation)	1/9/19 to 30/9/20	15	N/A	N/A
	1/10/20 to 31/12/20	14	N/A	N/A
	<b>01/01/21 to 30/06/21</b>	<b>7</b>	<b>N/A</b>	<b>N/A</b>
Distributed Generation	1/9/19 to 30/9/20	19	75.47	2.94
	1/10/20 to 31/12/20	6	64.71	27.76
	<b>01/01/21 to 30/06/21</b>	<b>3</b>	<b>90.91</b>	<b>8.58</b>
NSP Changes	1/9/19 to 30/9/20		100	NA
	1/10/20 to 31/12/20		100	NA
	<b>01/01/21 to 30/06/21</b>		<b>100</b>	<b>NA</b>

### Address updates

The four late address updates were updating information received on the registry and the event date missed being changed causing this to appear backdated.

### Pricing events

The audit compliance reporting found 384 late pricing updates. These were mostly due to late annual price changes. A typical sample of ten of these events were examined and found:

- one update was the result of late paperwork from the contractor detailing a meter change that affected the price category,
- one was due to incomplete information being updated for the ICP, additional checks are now in place to prevent this happening,
- three late updates were annual pricing changes that were applied late, and
- five pricing updates were triggered by a Network event, the updates were not required as there was no pricing change.

### Status events

The decommission process is described in **section 4.11**.

The audit compliance reporting found six late status updates. All six of these were examined and found that these were updated late due to a process breakdown. Alpine have implemented a new process to monitor the LIS report for ICPs at status “ready for decommissioning” and will action these ICP’s immediately, they are also monitoring the decommission jobs and to ensure they actively managed.

### Network events (other than NSP changes and Distributed Generation events)

The audit compliance reporting indicated 125 late network events. These were analysed and found that all but seven of these related to either the updating of distributed generation details (detailed below) or the population of the initial electrical connection date (detailed in **section 3.5**).

The seven late network events to update the Dedicated NSP flag were analysed and found that:

- four of these were the result of late paperwork being returned by the contractor; all work issued to contractors is now managed on a spreadsheet and checked daily, and any late work is followed up with the contractor, and
- three late updates were human error; the user did not update the GXP information in the Alpine database which resulted in the ICP not being updated in the registry - these were six days late.

## Distributed Generation events

The distributed generation process is described in **section 4.6**. The audit compliance report found three late distributed generation updates. All three ICPs were checked, and it was identified that:

- two were due to late paperwork from the from the contractor, and
- one was the result of multiple issues between the customer and trader changes; this will not happen in the future with new monitoring processes in place.

## NSP changes

Review of the audit compliance report and registry list confirmed that no NSP changes occurred during the audit period. NSP changes are advised by the GIS team.

## Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.1 With: Clause 8 Schedule 11.1  From: 01-Jan-21 To: 30-Jun-21	379 late pricing updates. Four late address updates. Six late status updates. Seven late network updates. Three late distributed generation updates. Potential impact: Medium Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
<b>Low</b>	Controls are rated as moderate because are sufficient to ensure that the registry is updated within three business days most of the time.  The audit risk rating is assessed to be low as the volume of late updates is relatively small.



Actions taken to resolve the issue	Completion date	Remedial action status
<p>We download the EIEP 4 and EIEP8 files every day when they come in to check them as sometimes they need to be corrected before the database will load them successfully (EIEP4) as there might be too many characters i.e. a name might be over 50 characters, we then need to find the errors and upload them into the external data base which then automates them into the ICP database.</p> <p>As we have a known compliance issue with the allowed 3 days on EIEP8 (TARCHG) files, we check the files and if the files are not dated the day we receive them, we manually change the dates as this is out of our control from a compliance point of view, but it does allow us to reject LOWLCA requests when the user is not a LOWLCA, we do this by checking the address and other databases to ensure it is not a business of BNB etc. Once this has been done, we download the files into the external database, which automates the files in the ICP database.</p> <p>There are maintenance and back end files that we receive on a daily basis are automatically done through the registry gateway and ICP database. MN, NOT REQUEUMAIN files.</p> <p>All these files go to the G:drive with any other reports we request from the registry</p>	In place	Identified
<b>Preventative actions taken to ensure no further issues will occur</b>	<b>Preventative actions taken to ensure no further issues will occur</b>	
Kai and Peter run the reports twice weekly to identify any inconsistencies, check and update the database as required		

#### 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 January 2021 to 30 June 2021 were examined to determine compliance.

##### Audit commentary

The controls in place to ensure new ICPs have the correct NSP are robust, all new connections are mapped on the GIS system ensuring that the correct transformer and therefore the correct NSP is assigned.

The audit compliance reporting identified five ICPs with potentially the incorrect NSP assigned. These were examined and confirmed they were all 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 3 business days after receiving a request for that information.*

##### Audit observation

The management of customer queries was examined.

##### Audit commentary

Alpine Energy occasionally receives direct requests for ICP identifiers, and these are 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. The registry list for 30 June 2021 and the registry compliance audit report covering the period from 1 January 2021 to 30 June 2021 was examined to determine compliance.

##### **Audit commentary**

The address is captured at the time of ICP creation. GPS coordinates are recorded for all but 20 ICPs. These all have sufficient address details to confirm their location.

The audit compliance reporting did not identify any duplicate addresses.

##### **Audit outcome**

Compliant

#### 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**

This was examined as part of the new connection process.

##### **Audit commentary**

For new connections, this clause is well understood, and Alpine Energy Network's policy requires each ICP to have its own service fuse. If a historic pre 2002 connection that cannot be isolated is found, the ICPs will be separated.

##### **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**

The management of registry information was reviewed.

The registry list for 30 June 2021 and the registry compliance audit report covering the period from 1 January 2021 to 30 June 2021 were examined 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.

#### **NSP information**

Assignment of dedicated NSP status was checked.

As reported in the last audit report. The ICPs within balancing area CENTRALALPEG mostly have dedicated NSP set to N. The number of ICPs set to dedicated “N” has continued to grow during the audit period due to the incorrect flag being applied during the creation process.

NSP	2020 Dedicated NSP = N	2021 Dedicated NSP = N	2020 Dedicated NSP = Y	2021 Dedicated NSP = Y
ABY0111	1627	1793	17	36
BPD1101	614	665	15	18
STU0111	3236	3646	14	36
TIM0111	17903	19577	136	279
TMK0331	6645	7352	194	249
TKA0331	0	49	969	1030
TWZ0331	0	45	1656	1735

Alpine are aware of this issue and have identified the system changes that they need to make to ensure the correct NSP dedicated/ non dedicated flag is applied. This issue is now affecting the ICPs in the TWZ0331ALPEG and TKA0331ALPEG balancing areas which only have one NSP.

Assignment of NSPs was reviewed in **section 4.2**.

#### Initial Electrical Connection Dates

There were three ICPs with no initial electrical connection dates recorded. These were checked and it was found to be a user error. The “status” field in the Alpine database was not updated to the correct status which resulted in the information not being sent to the registry. This is a training issue that Alpine will address. This is recorded as non-compliance below and in **sections 2.1** and **3.3**.

The audit compliance reporting identified six ICPs with date inconsistencies between the initial electrical connection date, the active date and the meter certification date:

ICP	Earliest meter certification date	Initial Electrically Connection Date	Earliest retailer active date
0002221248AL1D3	19/05/2021	18/05/2021	19/05/2021
0004116011ALBEC	18/05/2021	19/05/2021	18/05/2021
0007305642AL030	13/05/2021	12/05/2021	13/05/2021
0007304905AL1F0	16/12/2020	26/01/2021	26/01/2021
0007304903AL07F	16/12/2020	26/01/2021	26/01/2021
0004912565AL74F	17/02/2021	16/02/2021	17/02/2021

The incorrect date has been supplied to Alpine Energy by the field contractor for four ICPs. Two ICPs will be followed up with the contractor to determine if a load bank was used or if the incorrect date has been provided. These dates are now checked when the NCA is returned by the contractor.

As found in the last two audits, there are 27,000 ICPs all electrically connected before the code requirement came into effect on 29/08/13 that have an initial electrical connection date populated of 04/10/02. Removing the initial electrical connection date for these ICPs was discussed. There is a reluctance to run a bulk update in the system without understanding other impacts that may result, by deleting the date in the initial electrical connection field in the ICP database. Therefore, Alpine cannot correct this until the database is replaced.

## Distributed Generation

Applications for distributed generation are received; and approved or declined. The result is communicated to the customer and trader. Once installation is complete, it must be inspected and if compliant the inspector will connect it. The inspection date is applied as the event effective date for the addition of distributed generation details.

The audit compliance reporting identified four ICPs where the trader's profile indicates distributed generation is present and the distributor has none. All four ICPs were investigated and confirmed that distributed generation was not connected. Alpine will follow-up with the trader to request updating the profile on the registry.

I also repeat the recommendation from the last audit to monitor the EIEP1 reports to identify any generation on ICPs where none is expected or any with negative values which can also indicate generation on a site with no import export metering.

Recommendation	Description	Audited party comment	Remedial action
Distributed Generation	Monitor the EIEP1 reports to identify ICPs with "I" flow where none is expected and check for any negative values as this may indicate where distributed generation is present without import/export metering installed.	EIEP1 reporting is now in place between Kai and Peter, there had been previously some confusion around the information of the EIEP1 report. We had been previously using Smart meter data to provide some of this information to us however the EIEP1 covers all metering sites.	Identified

Examination of the list file found ICPs with generation capacity have continued to grow as detailed in the table below:

Year	ICPs with distributed generation
2019	397
2020	452
2021	496

All have generation capacity and fuel type recorded correctly in the registry.

## Unmetered load

Part 11 states the distributors must provide unmetered load type and capacity of the unmetered load to the registry "if known". If distributor unmetered load is populated, it is required to be accurate.

### Unmetered load details format

113 active ICPs have a value in the Unmetered load details – Distributor field.

The recommended format was used in 39 ICPs. For the remaining 74 ICPs, the unmetered load is not in a format where the loads can be compared between Alpine Energy and the trader. The last audit recommended that the recommended format be adopted, but this has yet to be adopted. I repeat the recommendation.

The 39 ICPs checked found that the unmetered load matched for all.

Recommendation	Description	Audited party comment	Remedial action
Distributor unmetered load details	Put a process in place for all unmetered load new connections so that these are loaded when an unmetered load new connection has its initial electrical connection date populated. Check the load details against the application form. Check any discrepancies with the trader.	We have introduced a process for the New Connections staff with Peter to obtain the required load and time information on the Application, and then to enter this correctly to match the trader information including IECD date. Kai is also running a list report comparing our information to the trader information identifying the errors. Peter has worked through this list and has it down to 5 errors which he is working through to correct. These sites a historical and gaining the correct information can be a challenge.	Identified

#### Unmetered load recorded

One new unmetered load connection was made during the audit period. This was examined and confirmed that the UML calculation is correct and matches the trader information.

Alpine have reviewed their process since the last audit and the New Connections team are now aware that they must inform the metering team when unmetered load is being added to an ICP, so that checks can be completed to ensure accuracy for the UML information recorded by Alpine and the trader.

#### Distributor unmetered load is recorded without trader unmetered load

All 113 active ICPs with distributor unmetered load details recorded also have trader unmetered load details recorded.

#### **Audit outcome**

Non-compliant



Non-compliance	Description		
<p>Audit Ref: 4.6</p> <p>With: Clause 7(1)(o)&amp;(p) Schedule 11.1</p> <p>From: 01-Jan-21</p> <p>To: 30-Jun-21</p>	<p>Incorrect NSP dedicated/non-dedicated flag applied to some ICPs.</p> <p>Three electrically connected ICPs with no initial electrical connection date recorded.</p> <p>Six ICPs with the incorrect initial electrical connection date recorded.</p> <p>Incorrect IECD dates populated for a large number of ICPs prior to the requirement to populate this information.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	<p>Controls are rated as moderate as the ICP database issues are hindering Alpine's ability to comply.</p> <p>The audit risk rating is low, as the incorrect NSP dedication has a direct impact on reconciliation.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>As noted in this audit and previous audits our ICP database is limiting us to the changes we would like to make. We have been working with our IT and GIS teams to create a process and complete a test batch bulk dedicated NSP change however the sample batch was unsuccessful. We endeavour to continue with identifying the database issue but resources from other teams is limited. The issues with our ICP database has been identified at a high level and more priority on its future replacement is looking more likely.</p> <p>The IECD errors are now identified through reporting by Kai and Peter</p>			Investigating
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>All new ICP's NSP are entered correctly, and twice weekly reports for the IECD dates are in place picking up any errors that may occur.</p>		Completed	

#### 4.7. Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1)

##### Code reference

*Clause 7(3) Schedule 11.1*

##### Code related audit information

*The distributor must provide the following information to the registry manager no later than 10 business days after the trading of electricity at the ICP commences:*

- *the actual price category code assigned to the ICP (Clause 7(3)(a) of Schedule 11.1)*
- *the actual chargeable capacity of the ICP determined by the price category code assigned to the ICP (if any) (Clause 7(3)(b) of Schedule 11.1)*
- *the actual distributor installation details of the ICP determined by the price category code assigned to the ICP (if any) (Clause 7(3)(c) of Schedule 11.1).*

##### Audit observation

The new connection process was examined in detail. The audit compliance reporting and the registry list were reviewed to determine compliance.

##### Audit commentary

The price category and chargeable capacity (if any) are known at the time of the ICP being created therefore these are recorded correctly in the first instance.

All new ICPs created during the audit period had pricing information loaded prior to initial electrical connection.

##### 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 30 June 2021 was reviewed to determine compliance.

GPS coordinates for a sample of 50 ICPs were mapped using to determine their accuracy relative to the physical address listed.

##### Audit commentary

GPS coordinates are optional, but if populated the registry requires New Zealand Transverse Mercator 2000 (NZTM2000) coordinates. GPS coordinates are recorded for all but 20 active ICPs.

I plotted a sample of GPS coordinates for 50 ICPs including the maximum and minimum easting and northing coordinates. I found that the coordinates were in NZTM2000 format and were consistent with the other address information available.

## Audit outcome

Compliant

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

#### Code reference

*Clause 14 Schedule 11.1*

#### Code related audit information

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

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

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

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

#### Audit observation

Processes to manage the “ready” status were reviewed.

The registry list for 30 June 2021 and the combined registry compliance audit reports covering the period from 1 January 2021 to 30 June 2021 were examined.

All ICPs at “ready” status had a single price category assigned and proposed trader identified.

#### Audit commentary

The status of “ready” is used once the ICP is ready for connection. The new connection process has a step to confirm the trader has taken responsibility. All 39 ICPs at “ready” status had a single price category assigned and proposed trader identified.

## 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

Processes to manage the distributor status were reviewed.

The registry list for 30 June 2021 and event detail report for 1 January 2021 to 30 June 2021 were examined in relation to the use of the “distributor” status.

### Audit commentary

Alpine Energy's list file shows two ICPs that have an ICP status of "distributor" and both of these are for embedded networks.

Alpine Energy confirmed that there is no shared unmetered load on their network.

### 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 30 June 2021 and the combined registry compliance audit reports covering the period from 1 January 2021 to 30 June 2021 were reviewed to determine compliance.

A typical sample of 20 "decommissioned" ICPs were examined. I also examined a typical sample of 20 ICPs at "ready for decommissioning" status.

### Audit commentary

#### Decommissioning

Requests are expected to be made directly to Alpine Energy where decommissioning is required.

A network application to decommission the ICP must be received from the trader, this ensures isolation from the Network at the same time as the meter removal. The fieldwork is carried out and notification comes back to Alpine Energy on standard documentation.

Alpine Energy monitors ICPs that have been physically decommissioned to ensure the retailer changes the status to "ready for decommissioning" so that Alpine Energy can change the status to "decommissioned". ICPs are not decommissioned unless an application is received.

Five ICPs were identified and confirmed that the correct decommissioning date was recorded, or the first available date where previous registry events prevented decommissioning on the physical decommissioning date.

#### Ready for decommissioning

This audit did not find any ICPs pending decommissioning. Alpine have implemented a new process to monitor the LIS report for ICPs at status "ready for decommissioning" and will update these to decommissioned.

#### **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 2 months after the date the code is entered in the table.*

*A price category code takes effect on the specified date.*

##### **Audit observation**

The price category code table on the registry was examined.

##### **Audit commentary**

The price category code table on the registry was examined. Alpine Energy did not create any new price category codes 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

Alpine Energy completed a loss factor review in February 2021. They ended the four existing loss factors as of 31 March 2021 and then added a new start date of 1 April 2021 with an end date of 31 March 2022 for the same loss factors on 4 February 2021. No other changes were made. All updates were made with the correct notification.

The accuracy of the loss factors is discussed in **section 8.1**.

#### Audit outcome

Compliant

### 5.2. Updating loss factors (Clause 22 Schedule 11.1)

#### Code reference

*Clause 22 Schedule 11.1*

#### Code related audit information

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

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

#### Audit observation

The loss category code table on the registry was examined.

#### Audit commentary

The loss category code table on the registry was examined. Alpine Energy did not update any loss factor values during the audit period.

#### Audit outcome

Compliant

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

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

#### Code reference

*Clause 11.8 and Clause 25 Schedule 11.1*

#### Code related audit information

*If the distributor is creating or decommissioning an NSP that is an interconnection point between 2 local networks, the distributor must give written notice to the reconciliation manager of the creation or decommissioning.*

*If the embedded network owner is creating or decommissioning an NSP that is an interconnection point between 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 was reviewed.

#### Audit commentary

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

#### Audit outcome

Compliant

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

### Code reference

*Clause 26(1) and (2) Schedule 11.1*

### Code related audit information

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

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

### Audit observation

The NSP table was reviewed.

### Audit commentary

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

### Audit outcome

Compliant

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

### Code reference

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

### Code related audit information

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

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

### Audit observation

The NSP table was reviewed.

### Audit commentary

No balancing area changes have occurred during the audit period.

### Audit outcome

Compliant



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

##### Code reference

*Clause 26(4) Schedule 11.1*

##### Code related audit information

*If a participant notifies the creation of an NSP, or the transfer of an ICP to an NSP that is a point of connection between a network and an embedded network owned by the distributor, the distributor must give notice to the reconciliation manager at least 1 month before the creation or transfer of:*

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

##### Audit observation

The NSP table was reviewed.

##### Audit commentary

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

##### Audit outcome

Compliant

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

##### Code reference

*Clause 24(2) and (3) Schedule 11.1*

##### Code related audit information

*The distributor must give written notice to the reconciliation manager of any change to balancing areas associated with an NSP supplying the distributor's network. The notification must specify the date and trading period from which the change takes effect and be given no later than 3 business days after the change takes effect.*

##### Audit observation

The NSP table was reviewed.

##### Audit commentary

No balancing area changes have occurred during the audit period.

##### 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 3 business days before the transfer takes effect.*

##### Audit observation

The NSP table was reviewed.

##### Audit commentary

Alpine Energy 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 was examined.

**Audit commentary**

Alpine Energy does not have responsibility for any NSP metering.

**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 five 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 was examined.

**Audit commentary**

Alpine Energy does not have responsibility for any NSP metering.

### 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 was examined.

### Audit commentary

Alpine Energy has not initiated any changes of network owner during the audit period.

### 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 table was examined.

### Audit commentary

Alpine Energy do not own any embedded networks therefore there have been no changes of MEP for embedded gate meters.

### 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 was examined.

### Audit commentary

Alpine Energy 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 table was examined.

### Audit commentary

Alpine Energy 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

Processes for the management of shared unmetered load were discussed. The registry list as of 30 June 2021 was reviewed to identify any ICPs with shared unmetered load connected.

#### Audit commentary

Alpine Energy has no existing shared unmetered load and does not intend to allow any new shared unmetered load connections.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 11.14(5)*

#### Code related audit information

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

#### Audit observation

Processes for the management of shared unmetered load were discussed. The registry list as of 30 June 2021 was reviewed to identify any ICPs with shared unmetered load connected.

#### Audit commentary

Alpine Energy has no existing shared unmetered load and does not intend to allow any new shared unmetered load connections.

#### 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

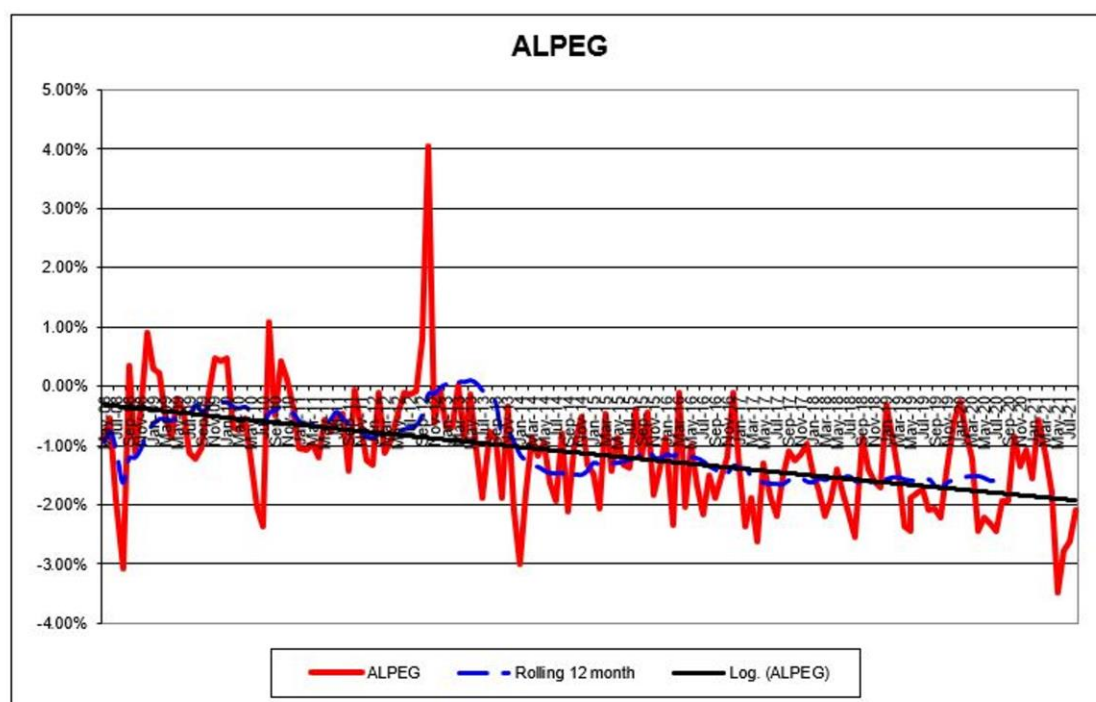
The “Guidelines on the calculation and the use of loss factors for reconciliation purposes” was published on 26 June 2018. Loss factor review processes are under consultation, and I checked the Network Technical Losses Calculation Methodology Consultation Paper (31 July 2019) against the guideline.

I reviewed the rolling UFE report provided by the Authority.

#### Audit commentary

Alpine Energy has four different factors: AOP (generation), LV, HV (11kV) and HV (33 kV). There have been no changes to the loss factor values since 1999 for A11, A33 and ALV, and since 2006 for AOP.

As detailed in the last audit, Alpine Energy advised that the new categories and loss factors would be updated for the next financial year, but this has not been completed. The UFE graph supplied by the Electricity Authority indicates that the combined loss factors are likely to be too high as they fall outside of the +/-1% threshold expected.



They have continued to track towards -2%. This is recorded as non-compliance.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 8.1 With: Clause 11.2 From: 01-Jan-21 To: 30-Jun-21	Loss factors are not accurate in relation to reconciliation losses. Potential impact: Medium Actual impact: Medium Audit history: Three times Controls: Weak Breach risk rating: 6		
Audit risk rating	Rationale for audit risk rating		
<b>Medium</b>	The controls are rated as weak as the loss factors haven't been updated within the indicated timeframe whilst losses continue to be too high. UFE is allocated to participants; therefore, there is no adverse impact on settlement; however, traders may use published losses in pricing decisions, therefore the use of inaccurate loss factors could lead to incorrect pricing, which is considered to have a medium impact.		
Actions taken to resolve the issue		Completion date	Remedial action status
Given we only completed the previous audit in February/ March 2021 this still stands as explained then. It will be updated by the end of the financial year as per previously indicated which is the 31 March 2022.		March 2022	Identified
Preventative actions that were planned		Completion date	
We are notifying retailers of the loss factor update and the registry will be updated in February 2022 as explained in the last audit. We have a process that we now update the loss factors on a rolling 7 months on a 24 month period to track non-technical loss factors and reconciliation as highlighted in the evidence collation for the audit and meeting.			



## CONCLUSION

The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

Alpine is still working on the project to automate their customer interface workflow which will feed information into the ICP database. This will assist in improving the return of paperwork from the field. A material change audit is planned before the customer interface workflow goes live to ensure that Alpine can meet its code requirements.

The audit found that the corrections required that were identified in the last audit have all been corrected. New processes have been implemented to monitor and manage fieldwork and the audit compliance reporting is now being used to ensure information accuracy and timeliness of registry updates.

As detailed in the last audit, Alpine Energy advised that the new categories and loss factors would be updated for the next financial year, but this has not been completed. Examination of UFE indicates that the current loss factors are too high with negative losses continuing to increase. Alpine advised they are working to get the loss factors updated.

Overall, the level of compliance has been improved by using the AC020 reports and monitoring field work. The audit found eight non-compliances, one recommendation and repeats two recommendations. The audit risk rating is 21, and the next audit frequency table indicates that the next audit be due in six months. I have considered this in conjunction with Alpine Network's responses and the overall improvement in the level of compliance and robust processes in place and I recommend that the next audit is in 12 months.

## PARTICIPANT RESPONSE

This audit period has seen the introduction of two new staff into our Metering Team (including Smart Metering) to assist with the processing of our network connections and data updates into our ICP database. We included them into this audit to provide the insight into the Distribution Code and the level of compliance required throughout the year to achieve the desired results.

We have put a real focus on accurate data into our ICP through data entry checking and registry reporting and the checks and balances of these reports. This has been assisted with training sessions with Veritek throughout the last audit period which has helped the team immensely. We have been in contact with the EA regarding an advanced registry user training course which they are currently putting together, no set dates for this training course have been set.

Our ICP database is still legacy software and the plans of replacing it and splitting it into the initial online application, workflow and livening system has been delayed but does now have traction again to be implemented in the near future. The remaining data holding platform can then be in its own database to link between the workflow system, the registry, our GIS, and our billing system. We are aware of the steps required of implementing this and the audit checks of this material change.

Like our previous audits we actually get a lot out of them, the day-to-day work is going really well which does show from this audit. We will take away the few areas identified for improvement and focus on them. The loss factors are in place for February for introduction as of the 1<sup>st</sup> of April 2022.

Thanks to Claire and Rebecca with the assistance throughout not just the audit but the whole audit period.