

ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT



For

SMART NET LIMITED (SMRT)
NZBN: 9429041781517

Prepared by: Tara Gannon

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Audit report due date: 18 June 2022

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EXECUTIVE SUMMARY

This Distributor audit was conducted at the request of **Smart Net Limited (SMRT)** 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.

Most of SMRT's compliance is reliant on the compliance of TEG & Associates (TEG), as a contractor to SMRT. TEG's last audit was completed in October 2021, and compliance was recorded for all processes completed for SMRT.

SMRT have 20 embedded networks. During the audit period one new embedded network was created, four embedded networks were transferred in from other networks, three embedded networks were transferred out to other networks, and one embedded network was decommissioned.

This audit found ten non-compliances; one related to inaccurate information which was corrected as soon as it was discovered during the audit, eight related to late updates of information which had no or a low impact, and one related to provision of Utilities Disputes information for inbound calls regarding faults and was resolved before this report was finalised. No recommendations or issues were raised. The audit frequency matrix indicates the next audit be due in 12 months and I have considered this in conjunction with SMRT's comments and recommend that the next audit be in at least 18 months on 18 December 2023.

The matters raised are detailed in the table below.

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Provision of information on dispute resolution scheme	2.4	11.30A	Information about Utilities Disputes is not consistently provided when customers telephone with faults.	Strong	Low	1	Cleared
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	21 ICPs had their initial electrical connection dates updated more than ten business days after initial electrical connection.	Moderate	Low	2	Identified
Connection of NSP that is not point of connection to grid	3.9	10.30	The meter installation certification expiry date advised 15 days after certification for NSP AKK0011.	Strong	Low	1	Identified
Changes to registry information	4.1	8 Schedule 11.1	Six network updates and two status updates were made more than three business days after the event date.	Moderate	Low	2	Identified
Distributors to Provide ICP Information to the Registry manager	4.6	7(1) Schedule 11.1	ICPs 8000000305SNEF0 and 5000000108SN485 had incorrect initial electrical connection dates, which were updated during the audit. ICP 5000000063SNCA5 had its generation capacity recorded as 3.83 kW instead of 3.68 kW and was corrected during the audit.	Moderate	Low	2	Cleared
Updating loss factors	5.2	22 Schedule 11.1	Loss factor changes for SNL01, SNLW1, SNVL1, SNVL2 and SNVL4 were not updated on the registry at least two	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
			months prior to coming into effect.				
Notice of supporting embedded network NSP information	6.4	26(4) Schedule 11.1	The LE ICP for DST0011 was provided on 7 July 2021 when the NSP transfer date was 1 May 2021.	Strong	Low	1	Identified
Responsibility for metering information for NSP that is not a POC to the grid	6.8	10.25(1) and 10.25(3)	Meter certification details were not provided to the reconciliation manager within 20 business days of certification for ETC0011.	Strong	Low	1	Identified
Responsibility for metering information when creating an NSP that is not a POC to the grid	6.9	10.25(2)	The meter installation certification expiry date for AKK0011 was provided to the reconciliation manager more than five business days after certification.	Strong	Low	1	Identified
Confirmation of consent for transfer of ICPs	6.12	5 and 8 Schedule 11.2	Trader consent was not obtained for the transfer of ICP 0002511389TC56C from TENC-DST0011 to SMRT-DST0011.	Strong	Low	1	Identified
Future Risk Rating						14	

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
		Nil	

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 SMRT has any Code exemptions in place.

Audit commentary

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

1.2. Structure of Organisation

SMRT provided an organisational structure for the purposes of the function being audited:

- Bruce Stubbing – Director
- Nick Oldham – GM Utility Solutions.

1.3. Persons involved in this audit

Auditors:

Name	Company	Role
Tara Gannon	Auditor	Veritek Limited

Personnel assisting in this audit were:

Name	Title	Organisation
Ewa Glowacka	Director	TEG & Associates
Nick Oldham	GM Utility Solutions	Smart Power Limited

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

TEG carries out SMRT's registry activities and communications.

TEG does not complete all compliance activities on behalf of SMRT. Specifically, TEG does not calculate loss factors, but does load the loss factors provided by SMRT onto the registry.

Audit commentary

Most of SMRT's compliance is reliant on the compliance of TEG, as a contractor to SMRT. Their audit report is to be submitted with this audit.

1.5. Supplier list

TEG carries out SMRT's registry activities and communications as described in **section 1.4**.

1.6. Hardware and Software

This is covered in TEG's audit report.

1.7. Breaches or Breach Allegations

There were no breaches during the audit period.

1.8. ICP and NSP Data

I reviewed the NSP table and found that during the audit period:

- NSP AKK0011 was created,
- four NSPs transferred to SMRT from other distributors (DST0011, THP0011, EMV0011 and EPC0011),
- three NSPs transferred from SMRT to another distributor (FTS0011, NFC0011 and OTF0011), and
- NSP OPS0011 was decommissioned.

NSPs supplied at the end of the audit period

Review of the NSP table showed SMRT was responsible for the NSPs below as of 31 March 2022.

Distr	POC code	Description	Parent POC	Parent Distr	Balancing Area	Network Type	Start date	No of ICPs
SMRT	BJL0011	129 BEACHLANDS RD AUCKLAND	TAK0331	VECT	BJL0011SMRTE	E	11/07/2016	88
SMRT	CMW0011	190 WALTERS RD TAKANINI	TAK0331	VECT	CMW0011SMRTE	E	20/11/2017	299
SMRT	ECR0011	2181 EAST COAST ROAD SILVERDALE	ALB1101	UNET	ECR0011SMRTE	E	1/05/2018	21
SMRT	ETC0011	SPARK CENTRAL 72-80 BOULCOTT	CPK0331	CKHK	ETC0011SMRTE	E	1/03/2019	30
SMRT	EVA0011	ESDP SOVEREIGN HOUSE	WIL0331	CKHK	EVA0011SMRTE	E	1/11/2018	34
SMRT	HCN0011	124 HOBSONVILLE ROAD	HEN0331	UNET	HCN0011SMRTE	E	1/08/2015	27
SMRT	HPL0011	ST AUBYN ST EAST HASTINGS	WTU0331	HAWK	HPL0011SMRTE	E	1/12/2017	17
SMRT	KUA0011	70 KUAKA DRIVE TAKANINI AUCKLAND	TAK0331	VECT	KUA0011SMRTE	E	20/09/2019	216
SMRT	LVF0011	CNR LEVEN ST&FORTH ST INGILL	INV0331	ELIN	LVF0011SMRTE	E	18/09/2019	12
SMRT	MHL0011	MUSEUM HOTEL	CPK0331	CKHK	MHL0011SMRTE	E	1/12/2015	42
SMRT	ORA0011	105 ORAHA ROAD KUMEU	HEN0331	UNET	ORA0011SMRTE	E	1/04/2017	228
SMRT	TCQ0011	20 CUSTOMHOUSE QUAY WELLINGTON	WIL0331	CKHK	TCQ0011SMRTE	E	24/07/2017	25
SMRT	TFQ0011	100 TAUPU QUAY WANGANUI	WGN0331	POCO	TFQ0011SMRTE	E	1/07/2017	28
SMRT	TKV0011	30 WALTERS RD TAKANINI AUCKLAND	TAK0331	VECT	TKV0011SMRTE	E	1/10/2019	26
SMRT	TKV0012	30 WALTERS RD TAKANINI AUCKLAND	TAK0331	VECT	TKV0012SMRTE	E	21/02/2020	13
NSPs transferred to SMRT during the audit period								
SMRT	DST0011	OUTLET CITY 24 MAIN ROAD TAWA	TKR0331	CKHK	DST0011SMRTE	E	1/05/2021	32
SMRT	THP0011	HOPETOUN RESIDENCES	ROS1101	VECT	THP0011SMRTE	E	1/10/2021	84
SMRT	EMV0011	MAYFAIR RETIREMENT VILLAGE	ALB0331	UNET	EMV0011SMRTE	E	1/10/2021	108
SMRT	EPC0011	PENINSULA CLUB R/V WHANGAPARAOA	SVL0331	UNET	EPC0011SMRTE	E	1/10/2021	167
New NSPs created by SMRT during the audit period								
SMRT	AKK0011	57 HALL ROAD KERIKERI	KOE1101	TOPE	AKK0011SMRTE	E	1/10/2021	35

NSPs supplied for part of the audit period

The following NSPs transferred from SMRT to other distributors during the audit period:

Distr	POC code	Description	Parent POC	Parent Network	Balancing Area	Network Type	End date
SMRT	FTS0011	141 MANNERS ST WELLINGTON	CPK0111	CKHK	FTS0011SMRTE	E	31/01/2022
SMRT	NFC0011	95 CUSTOMHOUSE QUAY WELLINGTON	WIL0331	CKHK	NFC0011SMRTE	E	31/01/2022
SMRT	OTF0011	110 FEATHERSTON ST WELLINGTON	WIL0331	CKHK	OTF0011SMRTE	E	31/12/2021

The following NSP was decommissioned during the audit period:

Distr	POC code	Description	Parent POC	Parent Network	Balancing Area	Network Type	End date
SMRT	OPS0011	259 MANGERE STATION AUCKLAND	MNG1101	VECT	OPS0011SMRTE	E	01/06/21

ICPs are summarised by status in the table below:

Status	ICPs 2022	ICPs 2020	ICPs 2019	ICPs 2018	ICPs 2017
Distributor	-	-	-	-	-
New	-	-	-	-	-
Ready	3	28	6	5	1
Active (2,0)	1,532	961	680	343	154
Inactive - new connection in progress (1,12)	11	12	2	7	3
Inactive – vacant (1,4)	9	3	4	4	2
Inactive - reconciled elsewhere (1,5)		-	-	-	-
Inactive – AMI remote disconnection (1,7)	1	2	-	-	-
Inactive – de-energised due to meter disconnected (1,9)	-	-	-	-	-
Inactive – at pole fuse (1,8)	-	-	-	-	-
Inactive – de-energised at meter box switch (1,10)	-	-	-	-	-
Inactive - at meter box switch (1,11)	-	-	-	-	-
Inactive – ready for decommissioning (1,6)	-	-	-	-	-
Decommissioned (3)	29	21	11	4	1

1.9. Authorisation Received

SMRT provided a letter of authorisation to Veritek via e-mail, permitting the collection of data from other parties for matters directly related to the audit.

1.10. Scope of Audit

This distributor audit was performed at the request of SMRT, 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.

A registry list and event detail report for 1 January 2021 to 31 March 2022, audit compliance reports for 1 January 2021 to 31 March 2021 and 1 April 2021 to 31 March 2022 were examined.

The scope of the audit is shown in the table below:

Functions Requiring Audit Under Clause 11.10(4) of Part 11	Contractors Involved in Performance of Tasks
The creation of ICP identifiers for ICPs.	SMRT provide details of new ICPs to TEG, who update the registry.
The provision of ICP information to the registry and the maintenance of that information.	TEG
The creation and maintenance of loss factors.	SMRT calculate loss factors and TEG update the loss factor table with the values provided.

1.11. Summary of previous audit

SMRT provided a copy of their previous audit conducted December 2020 by Rebecca Elliot of Veritek Limited. The current status of the non-compliances raised in the previous audit are recorded in the table below. No issues or recommendations were raised.

Subject	Section	Clause	Non-compliance	Status
Participants may request distributors to create	3.2	Clause 11.5(3)	One ICP created late.	Cleared
Timeliness of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	One ICP not updated to "ready" prior to electricity being traded.	Still existing
Timeliness of initial electrical connection date	3.5	7(2A) of Schedule 11.1	48 ICPs Initial electrical connection dates updated late.	Still existing
Connection of NSP that is not point of connection to grid	3.9	10.30	The meter installation certification expiry date advised after 42 days for NSP KUA0011.	Still existing
Changes to registry information	4.1	8 Schedule 11.1	29 pricing updates, and one network distributed generation update were updated more than three business days after the event date.	Still existing

Subject	Section	Clause	Non-compliance	Status
ICP location address	4.4	2 Schedule 11.1	Three ICPs with insufficient information to readily locate.	Cleared
Provision of NSP information	6.2	26(1) and (2) Schedule 11.1	Notification not provided one month prior to creation of one NSP.	Cleared
Notice of supporting embedded network NSP information	6.4	26(4) Schedule 11.1	Supporting network information not provided one month prior to creation of one NSP.	Still existing
Responsibility for metering information when creating an NSP that is not a POC to the grid	6.9	10.25(2)	The meter installation certification expiry date advised after 42 days for NSP KUA0011.	Still existing

2. OPERATIONAL INFRASTRUCTURE

2.1. Requirement to provide complete and accurate information (Clause 11.2(1) and 10.6(1))

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

A participant must take all practicable steps to ensure that information that the participant is required to provide to any person under Parts 10 or 11 is:

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

Audit observation

The management of this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report, and any data discrepancies are resolved as they are identified.

Two incorrect initial electrical connection dates and one incorrect distributed generation kW value were identified. Compliance is recorded in this section because the incorrect information was corrected as soon as practicable once it was discovered, and non-compliance is recorded in **section 4.6**.

Audit outcome

Compliant

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

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

The management of this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report, and any data discrepancies are resolved as they are identified.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

- *ensure 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

Processes for removal or breakage of seals were reviewed.

Audit commentary

SMRT do not remove or break seals. This work is undertaken by the traders and their MEPs.

Audit outcome

Compliant

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

Code reference

Clause 11.30A

Code related audit information

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

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

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

Audit observation

The process to ensure that information on Utilities Disputes is provided to customers was checked. SMRT's website and a sample of customer communications were reviewed.

Audit commentary

Information on Utilities Disputes is provided:

- on their website under <https://www.smartnetltd.co.nz/contact-us.html>, and
- as part of email footers.

SMRT does not usually have contact directly with end consumers. Most communications are via the retailer. SMRT's telephone faults service is managed by a third party and there is not a Utilities Disputes message on answering. Any other communication with customers is via email.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.4 With: 11.30A From: 01-Apr-21 To: 14-Jun-22	Information about Utilities Disputes is not consistently provided when customers telephone with faults. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are strong and the impact is low, because SMRT meets all the other requirements to provide information on Utilities Disputes.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have added the relevant wording to our faults call centre greeting. Initially the calls were routed to go straight to an operator which was not as reliable a method to impart UDL info. This does add slightly more time taken to answer a call but on balance is a more effective implementation of the Code requirements.		17/6/22	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
See above, this is now covered.		17/6/22	

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 management of this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report. 169 ICPs were created during the audit period in accordance with this clause.

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The management of this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance. A diverse characteristics sample of ten of the 169 new ICPs created since 1 January 2021 were checked to determine whether the ICPs had been created within three business days of a request by a trader. The sample included various traders.

Audit commentary

Compliance is recorded in the TEG agent audit report.

SMRT receives requests for new ICPs from the trader or directly from the customer. If ready to be created these are then sent onto TEG to create the ICP. Three of the sample of ten ICPs checked were requested by the customer's electrician, and seven by the trader. All seven ICPs requested by traders were created within two business days of being requested.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

The management of this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

All the information was provided as required by this clause for the 169 new ICPs created during the audit period.

Audit outcome

Compliant

3.4. Timeliness of Provision of ICP Information to the registry manager (Clause 7(2) of Schedule 11.1)

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

The distributor must provide information specified in Clauses 7(1)(a) to 7(1)(o) of Schedule 11.1 as soon as practicable and prior to electricity being traded at the ICP.

Audit observation

The management of this process is discussed in the TEG audit report. The event detail report, registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

The event detail report, registry list and AC020 report were examined to determine whether all 169 new ICPs had ready status, a proposed trader, an address, network information and pricing information populated prior to the initial electrical connection date.

ICP 5000000108SN485 had an incorrect initial electrical connection date recorded when the audit was commenced, which initially made it appear that ICP information was populated the day after initial electrical connection. The initial electrical connection date has now been corrected and I confirmed that the required information was populated prior to initial electrical connection for all new ICPs. The incorrect initial electrical connection date is recorded as non-compliance in **section 4.6**.

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 management of this process is discussed in the TEG audit report. The event detail report, registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

185 ICPs were updated during the audit period. The AC020 report recorded 21 ICPs with initial electrical connection dates populated between 11 and 29 business days after initial electrical connection. Of those, 16 ICPs were created during the audit period and were delayed by late confirmation of the liveness date.

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

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 3.5 With: 7(2A) of Schedule 11.1 From: 06-Jan-21 To: 30-Mar-22	21 ICPs had their initial electrical connection dates updated more than ten business days after initial electrical connection. Potential impact: Low Actual impact: Low Audit history: Multiple Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as moderate as SMRT is actively seeking this information but when other participants are slow to provide the information this causes SMRT to be non-compliant. The audit risk rating is low because the non-compliance has no direct impact on submission but does limit the ability of traders to validate their active dates. The correct dates were populated within 29 business days of initial electrical connection.

Actions taken to resolve the issue	Completion date	Remedial action status
This is an ongoing issue; over the years we have put greater controls in place that have generally improved our level of compliance and we are pleased to report that while still not perfect, 89% (164 of 185) of ICPs were updated within 10 business days which is an improvement of from the previous audit.	ongoing	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
As above.	ongoing	

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 management of this process is discussed in the TEG audit report. The event detail report, registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

Review of the registry list confirmed that a proposed trader is recorded for all three ICPs which are currently at “ready” status.

As discussed in **section 3.4**, ICP 5000000108SN485 had “ready” status populated on 31 March 2021, the day after initial electrical connection. The trader accepted responsibility prior to initial electrical connection, so compliance is recorded in this section, and non-compliance is recorded in **section 4.6** for the incorrect initial electrical connection date. The other 168 new ICPs created during the audit period had all the required information populated on time.

No shared unmetered load was recorded on the registry list.

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 management of this process is discussed in the TEG audit report. The event detail report, registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

SMRT does not connect ICPs without agreement from the trader. Review of the registry list confirmed that a proposed trader is recorded for all three ICPs which are currently at “ready” status.

I checked a further 15 ICPs and confirmed acceptance was received from the trader prior to initial electrical connection and the proposed trader was recorded in the registry.

No shared unmetered load was recorded on the registry list.

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 management of this process is discussed in the TEG audit report.

Audit commentary

Any ICPs that are temporarily electrically connected follow the same process as those for all other new connections. No temporarily connected ICPs were identified.

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 to identify new NSPs, and notifications were checked.

Audit commentary

One new NSP was created during the audit period, and the required information was provided on time apart from the meter certification details. The meter was certified on 29 July 2021 and the reconciliation manager was notified of the certification expiry date on 19 August 2021 at 12:30:00 pm. This is recorded as non-compliance below and in **section 6.9**.

NSP	Embedded under POC code	Embedded under network participant	Start date	Comment
AKK0011	KOE1101	TOPE	01/08/2021	New NSP.

Four NSPs were transferred from other distributors to SMRT during the audit period, and the required information was provided on time.

NSP	Embedded under POC code	Embedded under network participant	Start date	Comment
DST0011	TKR0331	CKHK	01/05/2021	ICPs transferred.
EMV0011	ALB0331	UNET	01/10/2021	ICPs transferred.
EPC0011	SVL0331	UNET	01/10/2021	ICPs transferred.
THP0011	ROS1101	VECT	01/10/2021	ICPs transferred.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.9 With: 10.30 From: 29-Jul-21 To: 19-Aug-21	The meter installation certification expiry date advised 15 days after certification for NSP AKK0011. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong, as they are sufficient to ensure updates are on time most of the time. 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
Paperwork was requested via Meridian several times prior to certification date however the request that was made which ultimately resulted in receiving paperwork was only made 2 weeks after the certification was done. This solved the issue of not having paperwork but not the late update.		19/08/2021	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We are well aware of the requirement and will continue to pressure agents to provide paperwork in a timely fashion. We will also work to foster better communication with contractors on site as to when meters are being installed so that we can ensure we are requesting paperwork at the right time.		ongoing	

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

Code reference

Clause 10.30A and 10.30B

Code related audit information

A distributor may only temporarily electrically connect an NSP that is not a point of connection to the grid if requested by an MEP for a purpose set out in clause 10.30A(3), and the MEP:

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

A distributor may only electrically connect an NSP if:

- each distributor connected to the NSP agrees

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

Audit observation

The NSP table on the registry was examined.

Audit commentary

SMRT's processes in relation to this clause are such that an NSP will not be connected without the agreement from the trader. New NSP AKK0011 was created during the audit period and SMRT confirmed that it was not temporarily electrically connected.

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 management of this process is discussed in the TEG audit report. The registry list was examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report, and all ICPs have compliant ICP numbers.

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 management of this process is discussed in the TEG audit report. The registry list was examined to confirm all active ICPs have a single loss category code.

Audit commentary

Compliance is recorded in the TEG agent audit report. Each active ICP only has a single loss category, which clearly identifies the relevant loss factor. All loss factor codes assigned to active ICPs were confirmed to be current loss factor codes on the loss factor table.

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 management of this process is discussed in the TEG audit report. The registry list, event detail report and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

No ICPs are currently at “new” status. One ICP was created at “new” status and later moved to 3,1 “decommissioned - set up in error” status.

Audit outcome

Compliant

3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1)

Code reference

Clause 15 Schedule 11.1

Code related audit information

If an ICP has had the status of “New” or has had the status of “Ready” for 24 months or more:

- *the distributor must ask the trader who intends to trade at the ICP whether the ICP should continue to have that status (Clause 15(2)(a) of Schedule 11.1)*
- *the distributor must decommission the ICP if the trader advises that the ICP should not continue to have that status (Clause 15(2)(b) of Schedule 11.1).*

Audit observation

The management of this process is discussed in the TEG audit report. The registry list, event detail report and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

No ICPs are currently at “new” status, and three ICPs are at “ready” status. The ICPs at “ready” status were created in March 2022, so none have been at the status for more than 24 months.

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

Audit observation

The registry list was examined to determine compliance.

Audit commentary

No embedded generators are supplied.

Audit outcome

Not applicable

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

The connection process was examined in relation to the electrical connection process.

Audit commentary

SMRT do not undertake electrical connections. This work is undertaken by the traders and their MEPs.

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

The disconnection process was examined.

Audit commentary

SMRT does not complete disconnections. This work is undertaken by the traders and their MEPs.

Audit outcome

Compliant

3.18. Meter bridging (Clause 10.33C)

Code reference

Clause 10.33C

Code related audit information

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

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

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

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

Audit observation

Processes for meter bridging were reviewed.

Audit commentary

SMRT does not bridge meters. Traders are responsible for connection and reconnection.

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 8 business days after the change takes effect.

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

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

In the case of a change to price category codes, where the change is backdated, no later than 3 business days after the distributor and the trader responsible for the ICP agree on the change.

Audit observation

The management of this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report. Analysis of the AC020 report found:

Update type	Findings
Address	No late updates.
NSP change	No late updates.
Pricing	No late updates.
Network - distributed generation	Four late updates to distributed generation details were caused by late identification or notification of distributed generation changes. 42.86% of updates were on time and there were 19.43 business days between the event date and update date on average.
Network	Six late updates to network details were identified including the four late updates to distributed generation information above. The other two late updates were made as part of the process to decommission ICPs set up in error. 96.89% of updates were on time and there were 4.16 business days between the event date and update date on average.

Update type	Findings
Status	Two late updates to decommissioned status were caused by late identification or delays while liaising with other participants to update the registry. 50.00% of updates were on time and there were 26.50 business days between the event date and update date on average.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.1</p> <p>With: 8 Schedule 11.1</p> <p>From: 26-Aug-21</p> <p>To: 04-Mar-22</p>	<p>Six network updates and two status updates were made more than three business days after the event date.</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		
Low	<p>The controls are rated as moderate as the process is largely manual hence errors can occur, but controls are in place to mitigate risk most of the time.</p> <p>The audit risk rating is low the late changes are small in volume.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>Network - distributed generation is becoming more prevalent and it is apparent that our processes for updating the registry in this area are lacking; based on the findings of this audit we have improved the flow of information by including the party responsible for registry updates into the approval for DG provided to applicants which will allow better monitoring and preemptive action.</p> <p>The late decommissioning of ICPs in this case were caused in both cases by electricians removing temporary BTS connections but only notifying us or the retailer much later. In addition there were delays in updating the registry due to various participants needing to reverse entries. The actions taken at the time were to update the registry with the relevant dates once the information was available and update became possible.</p>		Various	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
As above for DG. For decommissioning both cases here were, in our view, beyond our control		ongoing	

4.2. Notice of NSP for each ICP (Clauses 7(1), (4) and (5) Schedule 11.1)

Code reference

Clauses 7(1), 7(4) and 7(5) Schedule 11.1

Code related audit information

Under Clause 7(1)(b) of Schedule 11.1, the distributor must provide to the registry manager the NSP identifier of the NSP to which the ICP is usually connected.

If the distributor cannot identify the NSP that an ICP is connected to, the distributor must nominate the NSP that the distributor thinks is most likely to be connected to the ICP, taking into account the flow of electricity within its network, and the ICP is deemed to be connected to the nominated NSP.

Audit observation

The management of this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report. I compared the registry list and NSP table and confirmed that all active ICPs were mapped to an NSP consistent with the ICP address information.

Review of the AC020 report did not identify any streets where the NSP may be recorded incorrectly.

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

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

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

Each ICP identifier must have a location address that allows the ICP to be readily located.

Audit observation

The management of this process is discussed in the TEG audit report. The AC020 report was examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report. All ICPs currently have values recorded in the street number, property name and/or GPS coordinates fields. One ICP had its street number recorded in the unit number field and was identified and corrected prior to the audit.

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

The management of this process has been examined.

Audit commentary

SMRT manage the physical connection process on the embedded networks they manage and confirm all ICPs comply with this clause. They have a good understanding of this requirement and as all of the networks have been created post this requirement, this scenario is unlikely to arise.

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 this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

Examination of the AC020 report identified the following data inaccuracies:

- ICPs 8000000305SNEF0 and 5000000108SN485 had initial electrical connection dates consistent with the trader's earliest active date, but inconsistent with the meter certification date (the meter certification date was confirmed to be the correct initial electrical connection date); both initial electrical connection dates were updated during the audit, and
- ICP 5000000063SNCA5 had its generation capacity recorded as 3.83 kW instead of 3.68 kW and was corrected during the audit.

The timeliness of updates is discussed in **section 4.1**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.6 With: 7(1) Schedule 11.1 From: 06-Dec-21 To: 10-Jun-22	ICPs 8000000305SNEF0 and 5000000108SN485 had incorrect initial electrical connection dates, which were updated during the audit. ICP 5000000063SNCA5 had its generation capacity recorded as 3.83 kW instead of 3.68 kW and was corrected during the audit. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2
Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as moderate as the process is largely manual hence errors can occur, but controls are in place to mitigate risk most of the time. The audit risk rating is low because the non-compliance has no direct impact on submission or a trader's ability to identify ICPs with distributed generation but does limit the ability of traders to validate their active dates.

Actions taken to resolve the issue	Completion date	Remedial action status
Info was updated as the errors came to light.	3/6/22	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>The generation capacity figure was human error. We believe that the better process and controls in relation to DG as mentioned in part 4.1 above will help to prevent this sort of error reoccurring. This affected one ICP of six that were updated during the period.</p> <p>The IECD figures were updated as the result of an investigation triggered by the audit findings; generally we may be delayed by getting info but not incorrect on the date. We believe that processes currently in place as mentioned in 3.5 above that have improved our overall timeliness will also assist here.</p>	ongoing	

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TEG audit report. The event detail report, registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

The event detail report, registry list and AC020 report were examined to determine whether all 169 new ICPs had ready status, a proposed trader, an address, network information and pricing information populated prior to the initial electrical connection date.

ICP 5000000108SN485 had an incorrect initial electrical connection date recorded when the audit was commenced, which initially made it appear that pricing information was populated the day after initial electrical connection. The initial electrical connection date has now been corrected and I confirmed that the required information was populated on time for all new ICPs. The incorrect initial electrical connection date is recorded as non-compliance in **section 4.6**.

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 file was examined to determine compliance with this clause.

Audit commentary

SMRT do not populate the GPS co-ordinates on the registry but have had 44 ICPs transferred which have GPS co-ordinates. I confirmed that these were in the correct format by plotting them.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

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

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

Audit observation

The management of this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

Three ICPs are at “ready” status and have a proposed trader and valid price category recorded. The ICPs at “ready” status were created in March 2022, so none have been at the status for more than 24 months.

Audit outcome

Compliant

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

Code reference

Clause 16 Schedule 11.1

Code related audit information

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

Audit observation

The registry list file as was reviewed to identify any ICPs at distributor status.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

- *electrical installations associated with the ICP are physically removed (Clause 20(2)(a) of Schedule 11.1); or*
- *there is a change in the allocation of electrical loads between ICPs with the effect of making the ICP obsolete (Clause 20(2)(b) of Schedule 11.1); or*
- *in the case of a distributor-only ICP for an embedded network, the embedded network no longer exists (Clause 20(2)(c) of Schedule 11.1).*

Audit observation

The management of this process is discussed in the TEG audit report. The registry list and AC020 report were examined to determine compliance.

Audit commentary

Compliance is recorded in the TEG agent audit report.

Four ICPs were decommissioned because they were set up in error and no longer required, and four ICPs were decommissioned because they were dismantled. Compliance is achieved in all cases.

No ICPs are currently at “ready for decommissioning” status.

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

SMRT created four new price category codes during the audit period. All were updated less than two months prior to the start dates but as these related to embedded networks which were created or transferred to SMRT during the audit period, compliance is confirmed.

No price category codes were end dated 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

SMRT added three new loss category codes. The codes were not notified at least two months prior to the code taking effect, but related to embedded networks which were created or transferred to SMRT during the audit period and compliance is confirmed.

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 following loss factors were changed during the audit period. The changes were not notified at least two months prior to the code taking effect, because SMRT sent late notification of the required changes to TEG.

Loss factor	Changed effective	Updated
SNL01	1/05/2021	11/03/2021 10:13:00 PM
SNL01	1/05/2022	9/03/2022 2:55:00 PM
SNLW1	1/05/2021	11/03/2021 10:14:00 PM

Loss factor	Changed effective	Updated
SNLW1	1/05/2022	9/03/2022 2:54:00 PM
SNVL1	1/05/2022	9/03/2022 3:03:00 PM
SNVL1	1/05/2021	31/03/2021 3:00:00 PM
SNVL2	1/05/2021	31/03/2021 2:49:00 PM
SNVL2	1/05/2022	9/03/2022 3:04:00 PM
SNVL4	1/05/2022	9/03/2022 2:58:00 PM

A single loss factor applied for each month.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 5.2 With: 22 Schedule 11.1 From: 01-Aug-21 To: 01-Apr-22	Loss factor changes for SNL01, SNLW1, SNVL1, SNVL2 and SNVL4 were not updated on the registry at least two months prior to coming into effect. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate. The changes were identified and provided to participants but were not sent to TEG to update the registry at least two months prior to the change. The missing notifications were identified during an internal review and TEG updated the registry as soon as possible once notification was received. The impact is low because the notifications were all provided within 11 calendar days of the required date and more than 6-7 weeks before they came into effect.		
Actions taken to resolve the issue		Completion date	Remedial action status
Unfortunately, this is the human error; we neglected to update TEG and therefore the registry even though everything was done and ready to go. The inconsistencies found later were typos which were captured and updated at the time.		1/4/22	Identified

Preventative actions taken to ensure no further issues will occur	Completion date	
<p>We have identified these issues as time and pressure related. While the process will always be somewhat manual, we have dedicated more internal resource to take some of the pressure off, undertake more timely and better checking, and therefore remove these needless errors.</p>	ongoing	

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

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

If the distributor is creating or decommissioning an NSP that is a point of connection between an embedded network and another network, the distributor must give written notice to the reconciliation manager of the creation or decommissioning.

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, 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 management of this process is discussed in the TEG audit report. The NSP mapping table, Network Supply Points table and registry list were examined.

Audit commentary

Compliance is recorded in the TEG audit report.

One new NSP was created during the audit period, and written notice was provided to all parties as required by this clause.

NSP	Embedded under POC code	Embedded under network participant	Start date	Comment
AKK0011	KOE1101	TOPE	01/08/2021	ICP 0000010092TE32B was transferred from TOPE to SMRT and all other ICPs were created by SMRT.

Four NSPs were transferred from other distributors to SMRT, and written notice was provided to all parties as required by this clause.

NSP	Embedded under POC code	Embedded under network participant	Start date	Comment
DST0011	TKR0331	CKHK	01/05/2021	ICPs transferred.
EMV0011	ALB0331	UNET	01/10/2021	ICPs transferred.
EPC0011	SVL0331	UNET	01/10/2021	ICPs transferred.
THP0011	ROS1101	VECT	01/10/2021	ICPs transferred.

One NSP was decommissioned during the audit period and written notice was provided to all parties as required by this clause.

NSP	Embedded under POC code	Embedded under network participant	End date	Comment
OPS0011	MNG1101	VECT	01/06/21	ICPs 9000000001SN0B6 and 9000000004SNDF9 were transferred to Vector's network and the other four ICPs were decommissioned.

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The management of this process is discussed in the TEG audit report. The NSP mapping table, Network Supply Points table and relevant notifications were examined.

Audit commentary

Compliance is recorded in the TEG audit report.

New NSP AKK0011 was created during the audit period, and notification was provided as required.

NSPs DST0011, EMV0011, EPC0011 and THP0011 were transferred from other distributors to SMRT during the audit period, and notification was provided as required.

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 management of this process is discussed in the TEG audit report. The NSP mapping table, Network Supply Points table and relevant notifications were examined.

Audit commentary

Compliance is recorded in the TEG audit report.

New NSP AKK0011 was created during the audit period, and correct balancing area information was provided in accordance with this clause.

NSP	Embedded under POC code	Embedded under network participant	Start date	Balancing area
AKK0011	KOE1101	TOPE	01/08/2021	AKK0011SMRTE

Four NSPs were transferred from other distributors to SMRT during the audit period, and correct balancing area information was provided in accordance with this clause.

NSP	Embedded under POC code	Embedded under network participant	Start date	Balancing area
DST0011	TKR0331	CKHK	01/05/2021	DST0011SMRTE
EMV0011	ALB0331	UNET	01/10/2021	EMV0011SMRTE
EPC0011	SVL0331	UNET	01/10/2021	EPC0011SMRTE
THP0011	ROS1101	VECT	01/10/2021	THP0011SMRTE

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 management of this process is discussed in the TEG audit report. The NSP mapping table, Network Supply Points table and relevant notifications were examined.

Audit commentary

Compliance is recorded in the TEG audit report.

New NSP AKK0011 was created during the audit period, and information was provided in accordance with this clause.

NSPs DST0011, EMV0011, EPC0011 and THP0011 were transferred from other distributors to SMRT during the audit period. Information was provided in accordance with this clause apart from the LE ICP for DST0011 which was provided on 7 July 2021 when the start date was 1 May 2021. DST0011 transferred to SMRT from TENC, and the reconciliation manager already held the LE ICP.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.4 With: 26(4) Schedule 11.1 From: 01-May-21 To: 07-Jul-21	The LE ICP for DST0011 was provided on 7 July 2021 when the NSP transfer date was 1 May 2021. Potential impact: Low Actual impact: None Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as strong because almost all information was provided on time. There is no impact because the reconciliation manager already held the LE ICP.

Actions taken to resolve the issue	Completion date	Remedial action status
The LE ICP was supplied as soon as it was realised it was missing.	07/07/2021	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
This appears to be a gap in process when transferring an NSP from another provider, and is more to do with the mechanics of the NSP table etc and the assumption that as the LE ICP doesn't change, the information was already recorded. This gap has been noted and shouldn't reoccur.	07/07/21	

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 mapping and Network Supply Points tables were examined.

Audit commentary

No balancing areas were changed during the audit period.

Audit outcome

Compliant

6.6. Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1)

Code reference

Clause 27 Schedule 11.1

Code related audit information

If a transfer of an ICP results in an ICP becoming an NSP at which an embedded network connects to a network, or in an ICP becoming an NSP that is an interconnection point, in respect of the distributor's network, the distributor must give written notice to any trader trading at the ICP of the transfer at least 1 month before the transfer.

Audit observation

The NSP mapping and Network Supply Points tables were examined.

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 management of this process is discussed in the TEG audit report and the relevant notifications were provided.

Audit commentary

Compliance is recorded in the TEG audit report.

Four NSPs were transferred from other distributors to SMRT during the audit period. Notifications were provided as required.

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 1 or more metering installations (Clause 10.25(1)(a)); and*
- *the electricity is conveyed and quantified in accordance with the Code (Clause 10.25(1)(b))*

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

- *the reconciliation participant for the NSP*
- *the participant identifier of the metering equipment provider for the metering installation*
- *the certification expiry date of the metering installation*

Audit observation

The management of this process is discussed in the TEG audit report. The network supply points table was examined.

Audit commentary

Compliance is recorded in the TEG audit report.

The network supply points table was reviewed. All NSPs had certified metering installations on the date the table was checked, and two metering installations were re-certified during the audit period:

- notification of EMV0011's meter recertification was provided to the reconciliation manager within 20 business days, and
- notification of ETC0011's meter recertification was provided to the reconciliation manager more than 20 business days after meter recertification; the meter was recertified on 11 July 2021, but the change was not advised until 24 March 2022 at 6:15 pm.

Dist	NSP POC	Description	MEP	Last audit expiry	Current expiry	Expiry change
SMRT	AKK0011	57 HALL ROAD KERIKERI	AMCI	Not present	29/07/2026	New
SMRT	BJL0011	129 BEACHLANDS RD AUCKLAND	AMCI	10/08/2026	10/08/2026	-
SMRT	CMW0011	190 WALTERS RD TAKANINI	AMCI	21/11/2027	21/11/2027	-
SMRT	DST0011	OUTLET CITY 24 MAIN ROAD TAWA	AMCI	Not present	28/11/2024	Transferred
SMRT	ECR0011	2181 EAST COAST ROAD SILVERDALE	AMCI	30/01/2028	30/01/2028	-
SMRT	EMV0011	MAYFAIR RETIREMENT VILLAGE	AMCI	Not present	9/11/2031	Updated on transfer in
SMRT	EPC0011	PENINSULA CLUB R/V WHANGAPARAOA	AMCI	Not present	18/02/2031	Transferred
SMRT	ETC0011	SPARK CENTRAL 72-80 BOULCOTT	FCLM	10/09/2022	10/09/2025	Updated
SMRT	EVA0011	ESDP SOVEREIGN HOUSE	AMCI	3/02/2025	3/02/2025	-
SMRT	HCN0011	124 HOBSONVILLE ROAD	AMCI	29/06/2025	29/06/2025	-
SMRT	HPL0011	ST AUBYN ST EAST HASTINGS	AMCI	27/10/2027	27/10/2027	-
SMRT	KUA0011	70 KUAKA DRIVE TAKANINI AUCKLAND	AMCI	7/11/2029	7/11/2029	-
SMRT	LVF0011	CNR LEVEN ST&FORTH ST INGILL	FCLM	26/09/2024	26/09/2024	-
SMRT	MHL0011	MUSEUM HOTEL	AMCI	16/04/2022	16/04/2022	-
SMRT	ORA0011	105 ORAHA ROAD KUMEU	AMCI	6/12/2027	6/12/2027	-
SMRT	TCQ0011	20 CUSTOMHOUSE QUAY WELLINGTON	AMCI	27/07/2022	27/07/2022	-
SMRT	TFQ0011	100 TAUPU QUAY WANGANUI	AMCI	20/06/2023	20/06/2023	-

Dist	NSP POC	Description	MEP	Last audit expiry	Current expiry	Expiry change
SMRT	THP0011	HOPETOUN RESIDENCES	AMCI	Not present	29/03/2025	Transferred
SMRT	TKV0011	30 WALTERS RD TAKANINI AUCKLAND	FCLM	2/09/2029	2/09/2029	-
SMRT	TKV0012	30 WALTERS RD TAKANINI AUCKLAND	FCLM	4/03/2030	4/03/2030	-

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 6.8</p> <p>With: 10.25(1) and 10.25(3)</p> <p>From: 11-Jul-21</p> <p>To: 24-Mar-22</p>	<p>Meter certification details were not provided to the reconciliation manager within 20 business days of certification for ETC0011.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong because one update was late. The audit risk rating is low because the metering was certified at all times.		
Actions taken to resolve the issue		Completion date	Remedial action status
We have a continued issue with MEPs performing partial or complete recertification work significantly before the expiry date of the existing certification which makes it difficult to anticipate when to ask for documentation. In this case the new date was picked up as part of a routine review and updated accordingly.		24/03/2022	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
We have asked the MEPs to notify us of any changes to certification as they occur rather than relying on known expiry dates and asking Meridian.		ongoing	

6.9. Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2))

Code reference

Clause 10.25(2)

Code related audit information

If the network owner proposes the creation of a new NSP which is not a point of connection to the grid it must:

- assume responsibility for being the metering equipment provider (Clause 10.25(2)(a)(i)); or
- contract with a metering equipment provider to be the MEP (Clause 10.25(2)(a)(ii)); and
- no later than 20 business days after identifying the MEP advise the reconciliation manager in the prescribed form of the reconciliation participant for the NSP (Clause 10.25(2)(b)); and
- no later than 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 management of this process is discussed in the TEG audit report. The Network Supply Points table was examined.

Audit commentary

Compliance is recorded in the TEG audit report.

New NSP AKK0011 was created during the audit period with a start date of 1 August 2021. The meter was certified on 29 July 2021 and the certification details were provided to the reconciliation manager on 19 August 2021 at 12:30 pm, more than five business days after certification.

Four NSPs transferred from other networks during the audit period and did not have any changes of certification details on transfer. EMV0011's certification details were changed on time following the transfer, as discussed in **section 6.8**.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 6.9 With: Clause 10.25(2) From: 29-Jul-21 To: 19-Aug-21	The meter installation certification expiry date for AKK0011 was provided to the reconciliation manager more than five business days after certification. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating
Low	The controls are rated as strong because one update was late. The audit risk rating is low because the metering was certified at all times.

Actions taken to resolve the issue	Completion date	Remedial action status
Paperwork was requested via Meridian several times prior to certification date however the request that was made which ultimately resulted in receiving paperwork was only made 2 weeks after the certification was done. This solved the issue of not having paperwork but not the late update.	19/08/21	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
We are well aware of the requirement and will continue to pressure agents to provide paperwork in a timely fashion. We will also work to foster better communication with contractors on site as to when meters are being installed so that we can ensure we are requesting paperwork at the right time.	ongoing	

6.10. Obligations concerning change in network owner (Clause 29 Schedule 11.1)

Code reference

Clause 29 Schedule 11.1

Code related audit information

If a network owner acquires all or part of a network, the network owner must give written notice to:

- *the previous network owner (Clause 29(1)(a) of Schedule 11.1)*
- *the reconciliation manager (Clause 29(1)(b) of Schedule 11.1)*
- *the Authority (Clause 29(1)(c) of Schedule 11.1)*
- *every reconciliation participant who trades at an ICP connected to the acquired network or part of the network acquired (Clause 29(1)(d) of Schedule 11.1).*

At least 1 month notification is required before the acquisition (Clause 29(2) of Schedule 11.1).

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

Audit observation

The management of this process is discussed in the TEG audit report. The notifications were reviewed.

Audit commentary

Compliance is confirmed in the TEG audit report.

Four NSPs were transferred from other distributors to SMRT during the audit period, and notifications were provided as required.

NSP	Embedded under POC code	Embedded under network participant	Start date	Comment
DST0011	TKR0331	CKHK	01/05/2021	ICPs transferred.

NSP	Embedded under POC code	Embedded under network participant	Start date	Comment
EMV0011	ALB0331	UNET	01/10/2021	ICPs transferred.
EPC0011	SVL0331	UNET	01/10/2021	ICPs transferred.
THP0011	ROS1101	VECT	01/10/2021	ICPs transferred.

Audit outcome

Compliant

6.11. Change of MEP for embedded network gate meter (Clause 10.22(1)(b))

Code reference

Clause 10.22(1)(b)

Code related audit information

If the MEP for an ICP which is also an NSP changes the participant responsible for the provision of the metering installation under Clause 10.25, the participant must advise the reconciliation manager and the gaining MEP.

Audit observation

The management of this process is discussed in the TEG audit report.

The Network Supply Points table was examined to determine whether there have been any MEP changes during the audit period.

Audit commentary

Compliance is confirmed in the TEG audit report.

There have been no MEP changes during the audit period.

Audit outcome

Compliant

6.12. Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

The distributor must give the Authority confirmation that it has received written consent to the proposed transfer from:

- *the distributor whose network is associated with the NSP to which the ICP is recorded as being connected immediately before the notification (unless the notification relates to the creation of an embedded network) (Clause 5(a) of Schedule 11.2)*
- *every trader trading at an ICP being supplied from the NSP to which the notification relates (Clause 5(b) of Schedule 11.2).*

The notification must include any information requested by the Authority (Clause 8 of Schedule 11.2).

Audit observation

The management of this process is discussed in the TEG audit report and the consents for the transfer of ICPs were reviewed for the four transferred embedded networks.

Audit commentary

Compliance is confirmed in the TEG audit report.

I checked all required consents were obtained by comparing the lists of ICPs transferred against the consent's received from the affected traders and distributors. All required consents were obtained apart from 0002511389TC56C which was missed from the internal list created when consents were sought for DST0011. Consent should have been obtained from Meridian, who provided consent for all other ICPs requested.

Consent information was communicated to the Authority in the prescribed format and on time.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 6.12 With: 5 and 8 Schedule 11.2 From: 01-May-21 To: 01-May-21	Trader consent was not obtained for the transfer of ICP 0002511389TC56C from TENC-DST0011 to SMRT-DST0011. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are strong, one ICP was missed from the notification due to an administrative error when creating the ICP list. The impact is low because Meridian consented to all other ICPs requested being transferred.		
Actions taken to resolve the issue		Completion date	Remedial action status
This is extremely frustrating and while we cannot dispute the facts, retailer acceptance is seldom if ever on an ICP by ICP basis and thus acceptance by Meridian was really acceptance of all ICPs.		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Moving forward we will add a line to transfer requests to the extent that the request covers the listed ICPs as well as any others that the relevant retailer supplies at the time of transfer.		ongoing	

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 management of this process is discussed in the TEG audit report and the DS-010 files were examined.

Audit commentary

Compliance is confirmed in the TEG audit report. The ICP transfers included all ICPs on the embedded networks.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

The registry list file was examined to determine compliance.

Audit commentary

There is no shared unmetered load on the SMRT network. Examination of the registry list confirmed this.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list file was examined to determine compliance.

Audit commentary

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

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 v2.3” was published in June 2018. I reviewed the loss factor calculation methodology used by SMRT.

Audit commentary

SMRT derives loss factors for loss category codes from the published parent network loss factors for similar installations. The loss factor calculations were checked and confirmed correct.

Audit outcome

Compliant

CONCLUSION

Most of SMRT's compliance is reliant on the compliance of TEG & Associates (TEG), as a contractor to SMRT. TEG's last audit was completed in October 2021, and compliance was recorded for all processes completed for SMRT.

SMRT have 20 embedded networks. During the audit period one new embedded network was created, four embedded networks were transferred in from other networks, three embedded networks were transferred out to other networks, and one embedded network was decommissioned.

This audit found ten non-compliances; one related to inaccurate information which was corrected as soon as it was discovered during the audit, eight related to late updates of information which had no or a low impact, and one related to provision of Utilities Disputes information for inbound calls regarding faults and was resolved before this report was finalised. No recommendations or issues were raised. The audit frequency matrix indicates the next audit be due in 12 months and I have considered this in conjunction with SMRT's comments and recommend that the next audit be in 18 months on 18 December 2023.

PARTICIPANT RESPONSE

We are disappointed with the relatively wide range of non-compliances found during this audit.

Despite the higher score, we feel that this audit actually shows improvement in many areas and we would note:

- The NSPs concerned are relatively dynamic and ICP numbers have grown by around 60% since the last audit.
- We take compliance seriously but it is worth noting that the Auditor has commented on the limited scope and minor nature of non-compliances; i.e.
 - o all are low or no impact and
 - o controls are noted as strong or moderate and
 - o most non-compliances are due to isolated incidents and not widespread across a lot of ICPs or NSPs (other than the late update of loss factors)
- All areas of non-compliance that could be corrected have been corrected.

We will continue to work on the issues that have been identified.