

ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT



For

NETWORK WAITAKI LIMITED
NZBN: 9429038763250

Prepared by: Brett Piskulic

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Audit report due date: 22-May-24

TABLE OF CONTENTS

Executive summary	4
Audit summary	5
Non-compliances	5
Recommendations	6
Issues	6
1. Administrative	7
1.1. Exemptions from Obligations to Comply with Code (Section 11)	7
1.2. Structure of Organisation	7
1.3. Persons involved in this audit.....	8
1.4. Use of contractors (Clause 11.2A)	8
1.5. Supplier list.....	8
1.6. Hardware and Software	9
1.7. Breaches or Breach Allegations.....	9
1.8. ICP and NSP Data	9
1.9. Authorisation Received	10
1.10. Scope of Audit	10
1.11. Summary of previous audit	11
2. Operational Infrastructure.....	12
2.1. Requirement to provide complete and accurate information (Clause 11.2(1)).....	12
2.2. Requirement to correct errors (Clause 11.2(2))	14
2.3. Removal or breakage of seals (Clause 48(1A) and 48(1B) of Schedule 10.7).....	15
2.4. Provision of information on dispute resolution scheme (Clause 11.30A).....	15
3. Creation of ICPs.....	17
3.1. Distributors must create ICPs (Clause 11.4)	17
3.2. Participants may request distributors to create ICPs (Clause 11.5(3))	17
3.3. Provision of ICP Information to the registry (Clause 11.7).....	18
3.4. Timeliness of Provision of ICP Information to the registry (Clause 7(2) of Schedule 11.1).....	18
3.5. Timeliness of Provision of Initial Electrical Connection Date (Clause 7(2A) of Schedule 11.1)	19
3.6. Connection of ICPs (Clause 11.17).....	20
3.7. Electrical connection of ICP that is not an NSP (Clause 10.31)	21
3.8. Temporary electrical connection of ICP that is not an NSP (Clause 10.31A)	21
3.9. Connection of NSP that is not a point of connection to the grid (Clause 10.30)	22
3.10. Temporary electrical connection of NSP that is not point of connection to grid (Clause 10.30A and 10.30B).....	22
3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1)	23
3.12. Loss category (Clause 6 Schedule 11.1).....	23
3.13. Management of “new” status (Clause 13 Schedule 11.1).....	24
3.14. Monitoring of “new” & “ready” statuses (Clause 15 Schedule 11.1).....	24
3.15. Embedded generation loss category (Clause 7(6) Schedule 11.1)	25
3.16. Electrical connection of a point of connection (Clause 10.33A)	25
3.17. Electrical disconnection of a point of connection (Clause 10.30C and 10.31C).....	26
3.18. Meter bridging (Clause 10.33C).....	26
4. Maintenance of registry information.....	28

4.1.	Changes to registry information (Clause 8 Schedule 11.1)	28
4.2.	Notice of NSP for each ICP (Clauses 7(1),(4) and (5) Schedule 11.1)	30
4.3.	Customer queries about ICP (Clause 11.31).....	31
4.4.	ICP location address (Clause 2 Schedule 11.1).....	31
4.5.	Electrically disconnecting an ICP (Clause 3 Schedule 11.1).....	32
4.6.	Distributors to Provide ICP Information to the Registry (Clause 7(1) Schedule 11.1)	33
4.7.	Provision of information to registry after the trading of electricity at the ICP commences (Clause 7(3) Schedule 11.1)	36
4.8.	GPS coordinates (Clause 7(8) and (9) Schedule 11.1)	37
4.9.	Management of “ready” status (Clause 14 Schedule 11.1)	37
4.10.	Management of “distributor” status (Clause 16 Schedule 11.1)	38
4.11.	Management of “decommissioned” status (Clause 20 Schedule 11.1)	38
4.12.	Maintenance of price category codes (Clause 23 Schedule 11.1).....	40
5.	Creation and maintenance of loss factors	42
5.1.	Updating table of loss category codes (Clause 21 Schedule 11.1)	42
5.2.	Updating loss factors (Clause 22 Schedule 11.1)	42
6.	Creation and maintenance of NSPs (including decommissioning of NSPs and transfer of ICPs)43	
6.1.	Creation and decommissioning of NSPs (Clause 11.8 and Clause 25 Schedule 11.1)	43
6.2.	Provision of NSP information (Clause 26(1) and (2) Schedule 11.1)	44
6.3.	Notice of balancing areas (Clause 24(1) and Clause 26(3) Schedule 11.1)	44
6.4.	Notice of supporting embedded network NSP information (Clause 26(4) Schedule 11.1)45	
6.5.	Maintenance of balancing area information (Clause 24(2) and (3) Schedule 11.1)	45
6.6.	Notice when an ICP becomes an NSP (Clause 27 Schedule 11.1)	46
6.7.	Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)	46
6.8.	Responsibility for metering information for NSP that is not a POC to the grid (Clauses 10.25(1) & (3)).....	46
6.9.	Responsibility for metering information when creating an NSP that is not a POC to the grid (Clause 10.25(2)).....	47
6.10.	Obligations concerning change in network owner (Clause 29 Schedule 11.1)	47
6.11.	Change of MEP for embedded network gate meter (Clause 10.22(1)(b))	48
6.12.	Confirmation of consent for transfer of ICPs (Clauses 5 and 8 Schedule 11.2)	48
6.13.	Transfer of ICPs for embedded network (Clause 6 Schedule 11.2).....	49
7.	Maintenance of shared unmetered load	50
7.1.	Notification of shared unmetered load ICP list (Clause 11.14(2) and (4))	50
7.2.	Changes to shared unmetered load (Clause 11.14(5)).....	50
8.	Calculation of loss factors	51
8.1.	Creation of loss factors (Clause 11.2).....	51
Conclusion	52
Participant response	53

EXECUTIVE SUMMARY

This distributor audit was conducted at the request of **Network Waitaki Ltd (Network Waitaki)** 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.

Network Waitaki updates the registry directly and ICP information is also recorded in the RevMan database. There are robust processes in place to identify data discrepancies and errors and most issues are corrected once found. A small number of errors related to inaccurate entry of information were identified during the audit leading to non-compliance in four areas. These were all corrected when identified or at the time of the audit. Non-compliance is recorded in three areas due to late updating of the registry; the late updates are due to delays receiving and processing paperwork from the field or backdated corrections of registry information.

The audit found eight non-compliances and makes no recommendations. The next audit frequency table indicates that the next audit be due in 18 months. I have considered this in conjunction with Network Waitaki's comments and recommend an audit period of at least 24 months to reflect the improvements made in processes and correction of registry inaccuracies prior to the finalising of the audit.

The matters raised are shown in the tables below:

AUDIT SUMMARY

NON-COMPLIANCES

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Requirement to provide complete and accurate information	2.1	Clause 11.2(1)	One ICP with insufficient address information was recorded on the registry. Six ICPs created and electrically connected during the audit period had incorrect initial electrical connection dates. Two ICPs with unmetered load incorrectly recorded on the registry.	Strong	Low	1	Cleared
Initial electrical connection date population	3.5	7(2A) of Schedule 11.1	23 late initial electrical connection date updates.	Strong	Low	1	Cleared
Changes to registry information	4.1	Clause 8 Schedule 11.1	Five late address updates. Seven late pricing updates from a sample of ten backdated events. Ten late updates of distributed generation information.	Strong	Low	1	Cleared
ICP location address	4.4	Clause 2 Schedule 11.1	One ICP with insufficient address information was recorded on the registry.	Strong	Low	1	Cleared
Distributors to Provide ICP Information to the Registry	4.6	Clause 7(1)(o) of Schedule 11.1	Incorrect initial electrical connection dates recorded in the registry for six ICPs. Incorrect unmetered load	Strong	Low	1	Cleared

			details recorded in the registry for two ICPs.				
Provision of information to registry after the trading of electricity at the ICP commences	4.7	7(3) Schedule 11.1	Price category code was updated 16 business days after trading commenced for one ICP.	Strong	Low	1	Cleared
Management of "decommissioned" status	4.11	20 Schedule 11.1	Two of a sample of five ICPs checked had an incorrect decommissioning date recorded on the registry.	Strong	Low	1	Cleared
Maintenance of price category codes	4.12	23 Schedule 11.1	Registry not updated at least two months prior to the start date of price code IND15U.	Strong	Low	1	Cleared
Future Risk Rating						8	

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

RECOMMENDATIONS

Subject	Section	Recommendation	Description
		Nil	

ISSUES

Subject	Section	Recommendation	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

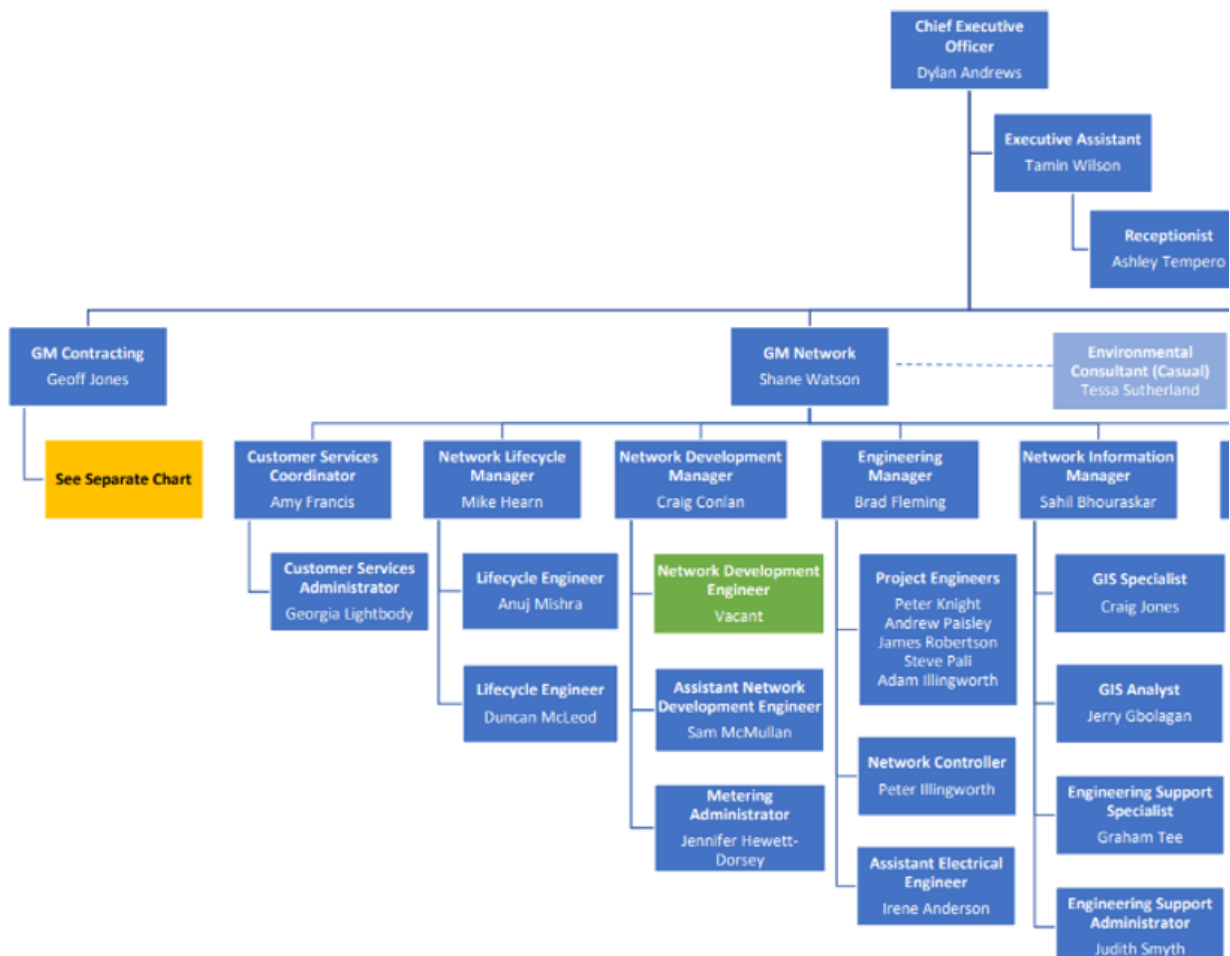
I checked the Authority's website to identify any exemptions in place.

Audit commentary

Network Waitaki has no exemptions in place that are relevant to the scope of this audit.

1.2. Structure of Organisation

Network Waitaki provided a copy of the relevant part of the organisation chart:



1.3. Persons involved in this audit

Auditor:

Name	Company	Role
Brett Piskulic	Provera	Auditor

Network Waitaki personnel assisting in this audit were:

Name	Title
Craig Conlan	Network Development Manager
Jennifer Dorsey	Metering Administrator
Amy Francis	Customer services Co-Ordinator

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

Network Waitaki subcontracts three contractors to conduct connection and electrical connection activities on their network for some of the new connections completed with the remainder completed by Network Waitaki staff. This matter was discussed during the audit to ensure Network Waitaki understands their responsibilities under this clause.

Audit commentary

Network Waitaki has maintained responsibility for all of their obligations during the audit period. Compliance is confirmed.

1.5. Supplier list

The list of contractors is shown below:

- Calect Electrical - Callum Reid – Kurow,
- Altitude Electrical - Kerry Wilson – Twizel, and
- Plunket Electrical – Oamaru.

For most new connections there is one visit with the contractor conducting connection, electrical connection and metering functions.

1.6. Hardware and Software

Network Waitaki use a SQL database and Content Management Server. All Network Waitaki records are held in the RevMan database and registry updates are completed directly in the registry. The registry update, synchronisation and validation processes are discussed in **section 2.1**.

Data storage is cloud hosted so all data is backed up live and can be restored in the event of a failure of local systems. This is managed by Computer Concepts Limited in Christchurch.

1.7. Breaches or Breach Allegations

Network Waitaki has no breach allegations recorded by the Electricity Authority which are relevant to this audit.

1.8. ICP and NSP Data

The table below lists the relevant NSPs and their associated balancing areas.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of active ICPs
WATA	OAM0331	OAMARU		WATA	WTKIVLYWATAG	G	1 July 2020	11,176
WATA	TWZ0331	TWIZEL		WATA	WTKIVLYWATAG	G	1 May 2008	673
WATA	WTK0111	WAITAKI		WATA	WTKIVLYWATAG	G	13 November 2015	1,618
WATA	WTK0331	WAITAKI		WATA	WTKIVLYWATAG	G	1 May 2008	1

The list file as of 2 February 2024 was examined and found:

Status	Number of ICPs (2024)	Number of ICPs (2022)	Number of ICPs (2020)	Number of ICPs (2019)
Distributor	0	0	0	0
New	0	1	1	0
Ready	17	24	9	11
Active	13,468	13,249	13,089	12,976
Inactive - new connection in progress (1,12)	11	11	8	14
Inactive – vacant (1,4)	289	287	243	238
Inactive – AMI remote disconnection (1,7)	26	24	22	19
Inactive – electrically disconnected due to meter disconnected (1,8)	5	4	2	1
Inactive – at pole fuse (1,9)	2	2	1	1
Inactive – electrically disconnected at meter box switch (1,10)	0	0	0	0

Inactive - at meter box switch (1,11)	0	0	0	0
Inactive – ready for decommissioning (1,6)	0	0	0	1
Decommissioned (3)	1,344	1,293	1,232	1,176

1.9. Authorisation Received

Network Waitaki provided a letter of authorisation to Provera, 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 Network Waitaki to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

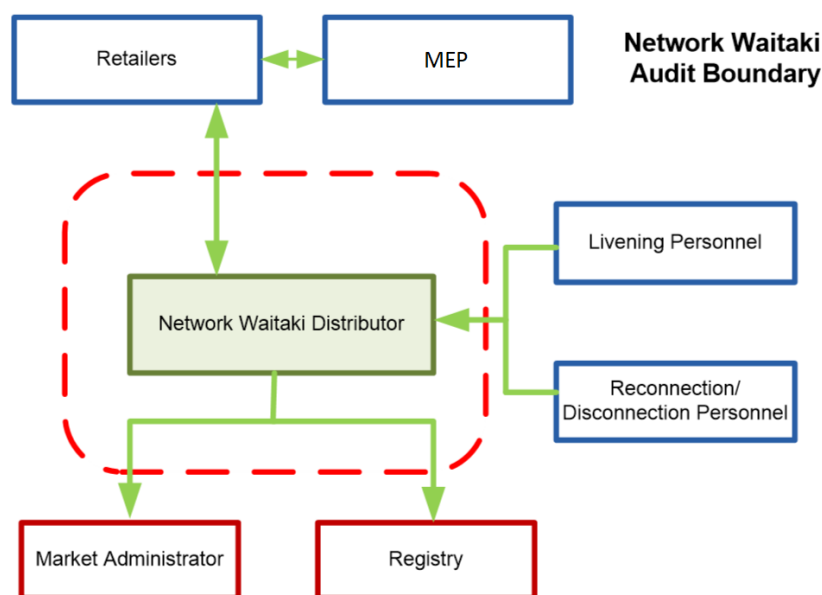
The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

The audit analysis was based on registry list, event detail and audit compliance reports for 1 June 2022 to 2 February 2024, and registry list snapshot and meter installation details reports for 2 February 2024.

The table below shows the tasks under clause 11.10(4) of Part 11, which Network Waitaki is responsible for. There are no other agents who assist with these tasks:

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

The scope of the audit is shown in the diagram below, with the Network Waitaki audit boundary shown for clarity.



1.11. Summary of previous audit

I reviewed the previous audit completed in May 2022 by Steve Woods of Veritek Ltd.

The findings of the previous audit are shown in the tables below:

Table of Non-Compliance

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	Clause 11.2(1)	Some missing IECDs and registry information not complete and accurate.	Still existing for new examples
Initial electrical connection date population	3.5	7(2A) of Schedule 11.1	Two late initial electrical connection date updates.	Still existing for new examples
Changes to registry information	4.1	Clause 8 Schedule 11.1	A small number of records updated on the registry later than three business days after event.	Still existing for new examples
ICP location address	4.4	Clause 2 Schedule 11.1	Two ICPs with Lot numbers recorded	Still existing for one new example
Distributors to Provide ICP Information to the Registry	4.6	Clause 7(1)(o) of Schedule 11.1	Incorrect registry information for five DG ICPs. 19 missing IECDs.	Cleared

Table of Recommendations

Subject	Section	Recommendation	Description	Status
		Nil		

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(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 Part 11 is:

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

Audit observation

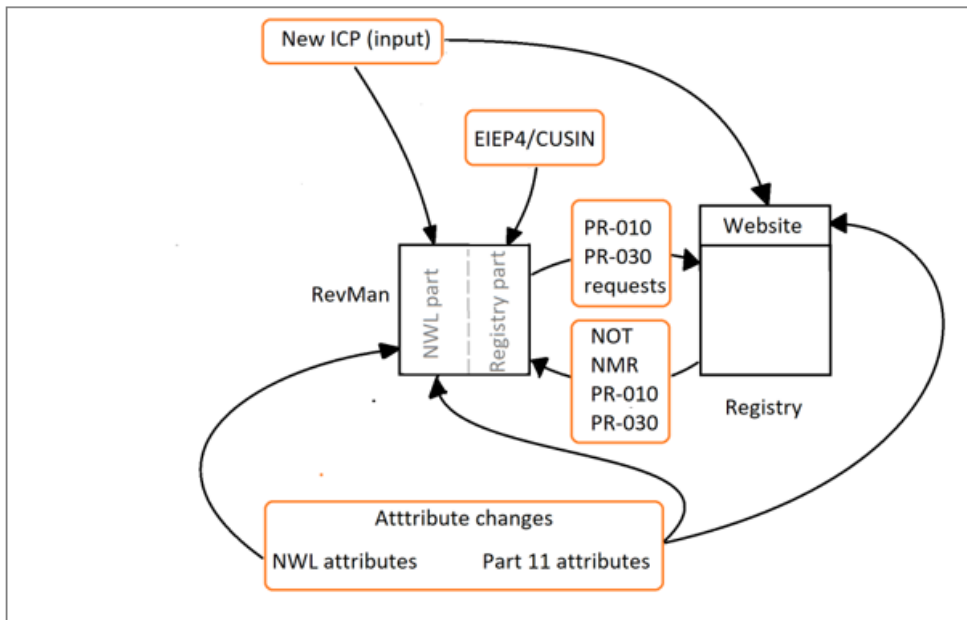
I walked through the process to ensure that registry information is complete, accurate and not misleading or deceptive, including viewing reports used to resolve discrepancies.

The registry list and audit compliance reports were examined to determine compliance.

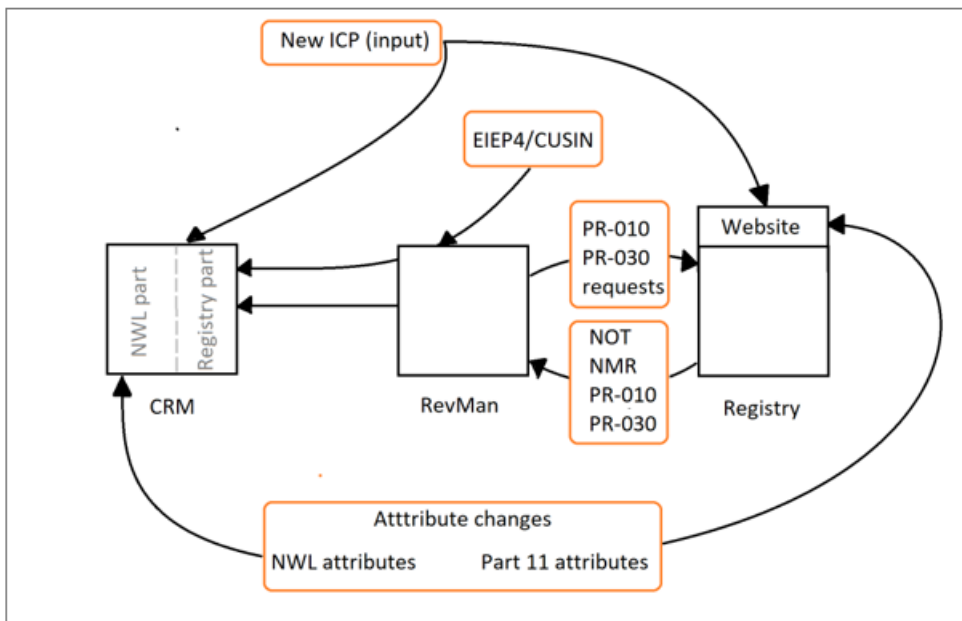
Audit commentary

Registry updates and synchronisation

The process for updating the registry is manual, the registry is updated directly, and changes are also made in the Network Waitaki RevMan database. The diagram below shows the Network Waitaki registry interactions,



During the audit period a change was made to the Network Waitaki database systems. Prior to the change the CRM system was used as the Network Waitaki database and the RevMan was used as the interface with the registry for requesting and receiving registry files. As the change did not alter the way the registry is updated or the process for interacting with the registry, I have determined that it is not considered to be a material change requiring an audit under clause 16A.11. Details of the processes before the change are shown in the diagram below,



Registry and data validation

RevMan requests PR-010 and PR-030 files from the registry each night and the RevMan information is compared to the registry information. A series of sweeps are run to monitor changes in registry information and identify discrepancies as follows,

Backdated events, run weekly to monitor performance against required timeframes for registry updates for address, network, price and status events.

Daily sweep to identify ICPs:

- that have been moved to “ready for decommissioning” status by the retailer,
- with duplicate addresses,
- that have become “active” or have had metering installation certification but have no initial electrical date populated; also identifies discrepancies between metering certification, active, and initial electrical connection dates,
- where there is a difference between network distributed generation fields and the retailer’s profile or meter registers; EIEP1 files are checked to identify export with no network distributor information or no export within three months of distributed generation installation.

GIS checks are conducted which identify ICPs:

- with missing transformer details, and
- discrepancies between GIS, RevMan and the registry which can lead to recording of incorrect NSP in the registry.

A dashboard in RevMan is updated daily and identifies any discrepancies between RevMan and the registry used by operators to identify and correct any issues.

Data accuracy issues

Whilst Network Waitaki has robust processes in place to identify and correct discrepancies the audit found some areas where missing or inaccurate information could have been discovered and resolved sooner.

Report section	Registry field(s)	Inaccurate data which was found during the audit
4.4	Address	One ICP with an incorrect address recorded in the registry. Address was corrected at the time of the audit.
4.6	Initial electrical connection dates	Six ICPs created and electrically connected during the audit period had incorrect initial electrical connection dates. All six were corrected at the time of the audit.
4.6	Unmetered load details	Two ICPs with unmetered load incorrectly recorded on the registry.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: Clause 11.2(1) From: 16-Mar-22 To: 01-Mar-24	One ICP with insufficient address information was recorded on the registry. Six ICPs created and electrically connected during the audit period had incorrect initial electrical connection dates. Two ICPs with unmetered load incorrectly recorded on the registry. 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 recorded as strong as Network Waitaki has robust processes to identify discrepancies and most corrections are made promptly. The audit risk rating is assessed to be low as the volume of ICPs affected is small and all corrections have been made.		
Actions taken to resolve the issue		Completion date	Remedial action status
All have been corrected		30/04/24	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Clarified processes around determining initial electrical connection dates		30/04/24	

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

Code reference

Clause 11.2(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

Network Waitaki's data management processes were examined. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Network Waitaki have robust processes and procedures in place to ensure they provide correct and accurate information as described in **section 2.1**. Any discrepancies found are investigated and updated as required. Inaccurate data identified during this audit was resolved as soon as practicable.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

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

Audit observation

The management of removal and breakage of seals was discussed.

Audit commentary

Network Waitaki may receive an after-hours call, when they would break the seal if required in communication with the trader, but this is a very rare occurrence. The trader would then send a job to the MEP to return to site to resolve the problem. Network Waitaki would do this as a contractor for the MEP.

Audit outcome

Compliant

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

Code reference

Clause 11.30A

Code related audit information

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

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

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

Audit observation

The Disputes Resolution information was examined for Network Waitaki to determine compliance.

The following were provided by Network Waitaki and examined:

- the Network Waitaki website link,
- Network Waitaki Facebook page and message responses,
- letter templates,
- email signature examples, and
- the IVR message for in-bound phone calls to Network Waitaki.

Audit commentary

All of these provided clear and prominent information about Utilities Disputes for the consumer, including contact details and links to the Utilities Disputes website. The Network Waitaki website provides the Utilities Dispute information clearly on the Complaints page.

Audit outcome

Compliant

3. CREATION OF ICPS

3.1. Distributors must create ICPs (Clause 11.4)

Code reference

Clause 11.4

Code related audit information

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

Audit observation

The new connection process was examined in detail and is described in **section 3.2** below. 20 new connection applications of the 225 created during the audit period were checked from the point of application through to when the ICP was created.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 11.5(3)

Code related audit information

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

Audit observation

The new connection process was examined in detail. A diverse characteristics sample of 20 new connection applications of the 225 created during the audit period from 1 June 2022 to 2 February 2024 were checked from the point of application through to when the ICPs were created. This included one ICP with unmetered load ICP.

Audit commentary

Network Waitaki receives the majority of requests for new ICPs directly from customers or their agents via the online "Application for Network Connection" form which includes the proposed trader and contractor. Applications can also be received through phone calls or in person at the Network Waitaki offices. All applications are reviewed by an engineer to determine if the supply is available or if network extension is required. If the supply is available, the application is approved and the ICP is created at "ready" status directly in the registry and in RevMan. If engineering work is required, the applicant is notified, and a quote is provided. When payment is received for the application, the ICP is created at "ready".

A new connection advice form is created which contains all the relevant information for the ICP including the electrical contractor details and the livening Inspector and is provided to the retailer for approval. The retailer is expected to notify Network Waitaki if they reject the ICP, and the customer is notified.

I checked 20 new ICPs, and found they were all requested by the customer or customer's agent. All 20 ICPs were created within three business days of the application being approved. As the customer applies to Network Waitaki in the first instance, and not the retailer, the 3-day rule does not apply. Compliance is confirmed.

Audit outcome

Compliant

3.3. Provision of ICP Information to the registry (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

A diverse characteristics sample of 20 new connection applications of the 225 created since 1 June 2022 were checked from the point of application through to when the ICP was created, to confirm the process and controls worked in practice.

Audit commentary

The process for updating the registry is manual, users enter ICP information directly into the registry and RevMan. Checks are completed to ensure the information is accurate, and validation reports are run daily to identify errors and any discrepancies between the registry and RevMan information.

ICP information provided to the registry was correct for the sample of 20 ICPs checked against application and connection details. The required fields were populated on the registry for all new connections.

The accuracy of information is discussed in **section 4.6**.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process was examined. The audit compliance reports were examined to determine the timeliness of the provision of initial electrical connection dates for new connections.

Audit commentary

I checked whether the information required under clause 7(2) of schedule 11.1 was populated prior to initial electrical connection for new ICPs using the audit compliance report, registry list and event detail report.

The required fields were populated for all new connections and all new ICPs were updated to “ready” prior to trading.

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 sub-clause (1)(p) to the registry no later than ten business days after the date on which the ICP is initially electrically connected.

Audit observation

The audit compliance reports were examined to determine the timeliness of the provision of initial electrical connection dates for new connections.

Audit commentary

Initial electrical connection date process

Field staff and contractors complete Network Connection Advice paperwork at the time of initial electrical connection. The initial electrical connection date is recorded on the form and the paperwork is expected to be returned to Network Waitaki on the same day. The metering installation paperwork is also returned to Network Waitaki which is used to validate that the metering installation date matches the initial electrical connection date.

Initial electrical connection dates are entered directly into the registry and RevMan by Network Waitaki when the paperwork is returned.

Late initial electrical connection date updates

There is a requirement to populate the initial electrical date within ten business days of physical electrical connection. The audit compliance reports identified 23 ICPs where the initial electrical connection date update was backdated by more than ten business days.

All 23 backdated events were examined and found:

- four were initially entered within the correct timeframe but were identified as having the effective date incorrectly entered as the date the update was made and subsequently corrected,
- two were incorrect updates of historic initial electrical connection dates which have subsequently been reversed, and
- 17 were updated late due to delays in receiving or processing the paperwork from the field.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 01-Jun-22 To: 02-Feb-24	23 late initial electrical connection date updates. Potential impact: Low Actual impact: Low Audit history: Once Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	I have recorded the controls as strong in this area as Network Waitaki has checks in place to identify and resolve discrepancies and the number of late updates was low. The audit risk rating is assessed to be low as this has no direct impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
These were identified and corrected at time of audit.		March 2024	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
A daily report is run out of Revman which is checked daily by ICP management team which picks up these errors/ discrepancies so they can be fixed straight away.		April 2024	

3.6. Connection of ICPs (Clause 11.17)

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

The new connection process was examined in **sections 3.1** and **3.2**. The registry list and event detail reports were reviewed to determine compliance.

No shared unmetered load is recorded on Network Waitaki's network.

Audit commentary

ICPs will not be electrically connected without the agreement from the trader. Trader acceptance is confirmed during the application process. Review of the registry list confirmed that:

- a trader is recorded for all ICPs with “active” or “inactive” status,
- a proposed trader is recorded for all ICPs with “ready” status, and
- shared unmetered load is not recorded for ICPs on Network Waitaki’s network.

As discussed in **section 3.4**, all ICPs created during the audit period had a proposed trader recorded on the registry prior to the initial electrical connection date.

Audit outcome

Compliant

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

Code reference

Clause 10.31

Code related audit information

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

Audit observation

The new connection process was examined in **sections 3.1** and **3.2**. The registry list and event detail reports were reviewed to determine compliance.

Audit commentary

ICPs will not be electrically connected without agreement from the trader, who in turn has agreement with an MEP for the ICP. Trader acceptance is confirmed during the application process. Review of the registry list confirmed that a trader is currently recorded for all active ICPs.

Network Waitaki does not have any shared unmetered load.

Audit outcome

Compliant

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

Code reference

Clause 10.31A

Code related audit information

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

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

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

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

Audit observation

The new connection process was examined in **sections 3.1** and **3.2**. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

An ICP will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP. No requests from MEP's have been received to temporarily electrically connect an ICP. Analysis of the audit compliance reports did not identify any ICPs that were temporarily electrically connected.

Audit outcome

Compliant

3.9. Connection of NSP that is not a point of connection to the grid (Clause 10.30)

Code reference

Clause 10.30(2)

Code related audit information

A distributor must not connect an NSP on its network that is not a point of connection to the grid unless requested to do so by the trader responsible for ensuring there is a metering installation for the point of connection.

The distributor that initiates the connection under Part 11 and connects the NSP must, within 5 business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:

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

Audit observation

The NSP table was reviewed.

Audit commentary

Network Waitaki has not created any new NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 10.30A and 10.30B

Code related audit information

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

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

A distributor may only electrically connect an NSP if:

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

Audit observation

The NSP table was reviewed.

Audit commentary

No new NSPs that are not points of connection to the grid were connected during the audit period.

Audit outcome

Compliant

3.11. Definition of ICP identifier (Clause 1(1) Schedule 11.1)

Code reference

Clause 1(1) Schedule 11.1

Code related audit information

Each ICP created by the distributor in accordance with Clause 11.4 must have a unique identifier, called the "ICP identifier", determined in accordance with the following format:

xxxxxxxxxxxccc where:

- xxxxxxxxxxxx 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 market administrator.

Audit observation

The new connection process was examined and a sample of 20 new connections were checked.

Audit commentary

The process for the creation of ICPs was examined, and all ICPs have been manually created in the appropriate format.

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 Schedule 11.1

Code related audit information

Each ICP must have a single loss category that is referenced to identify the associated loss factors.

Audit observation

The process of allocation of the loss category was examined. The registry list was examined to confirm all “active” ICPs have a single loss category code.

Audit commentary

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

Network Waitaki uses two loss categories, WLV which is used for all low voltage connections and W11 which is used for all high voltage connections (at the time of the audit there were four ICPs using the W11 code). The loss category code is selected as part of the new ICP creation process based on the connection type.

Audit outcome

Compliant

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

Code reference

Clause 13 Schedule 11.1

Code related audit information

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

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

Audit observation

The ICP creation process was reviewed. The registry list, event detail report and audit compliance reports were examined to determine compliance.

Audit commentary

Network Waitaki does not create ICPs at the “new” status. The “new” status is used by Network Waitaki to enable an ICP that has been created and is no longer required to be decommissioned.

There was one ICP at the “new” status during the audit period, ICP 0000050294WT593. The ICP was created on 11 April 2023 at the “ready” status. The status was then updated to the “new” status to enable it to be moved to “decommissioned – set up in error” on 25 October 2023.

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 calendar months or more:

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

Audit observation

The process to monitor ICPs at “new” and “ready” status was reviewed. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Network Waitaki regularly checks on any ICPs at “new” or “ready” and communicates with the relevant parties to confirm if the connection is still required or not. There have been seven ICPs at “ready” for longer than 24 months and these have all since been confirmed as no longer required and were moved to “decommissioned – set up in error” on 6 March 2024.

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

This requirement was discussed, and the list file was examined.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10.33A(4)

Code related audit information

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

Audit observation

Processes were examined for the connection of ICPs and NSPs.

Audit commentary

All metered new connections go through the new connection process described in **sections 3.1** and **3.2**. It is expected any new streetlights are managed through the new connection process even if being added to an existing DUML streetlight ICP. I reviewed the processes to obtain trader acceptance for new streetlights.

New standard unmetered load and additions to existing standard unmetered load

Standard unmetered load is created through the new connection process, and changes are managed through the load alteration process. Both processes require trader acceptance to be provided before the connection can progress.

Additions to existing DUML load

Distributed unmetered load follows a separate process. Applications are received by Network Waitaki for connection of new streetlights. The retailer is advised of the new streetlights and once approved for connection the streetlight contractor is advised that the lights can be connected. Connection paperwork is then returned to Network Waitaki, and the retailer is advised.

Shared unmetered load

There is no shared unmetered load on Network Waitaki's network.

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 Network Waitaki disconnection process was examined.

Audit commentary

Network Waitaki understand their responsibilities in relation to this clause. They only conduct electrical disconnection for safety, and they only conduct disconnection where ICPs are to be decommissioned.

Audit outcome

Compliant

3.18. Meter bridging (Clause 10.33C)

Code reference

Clause 10.33C

Code related audit information

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

Network Waitaki may receive a call from a customer after hours to investigate 'no power'. Network Waitaki will attend the site and may bridge the meter if required. Network Waitaki advise the MEP who will in turn advise the retailer to arrange a job to complete the un-bridging and resealing work. There were no examples of bridging to examine from the audit period.

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 for changes, the distributor must provide notice to the registry of that change.

Notification must be given by the distributor within three business days after the change takes effect, unless the change is to the NSP identifier of the NSP to which the ICP is usually connected (other than a change that is the result of the commissioning or decommissioning of an NSP).

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

If the change to the NSP identifier is for more than ten 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 three business days after the registry manager has advised the distributor that the ICP is ready to be decommissioned, or three business days after the distributor has decommissioned the ICP.

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

Audit observation

The management of registry updates and NSP changes was reviewed. The audit compliance reports were reviewed to determine compliance. A diverse sample of ten or all backdated events by event type were reviewed to determine the reasons for the late updates.

Audit commentary

Registry update process

The process for updating the registry is manual, changes to registry information are made directly in the registry and RevMan by Network Waitaki. Daily reporting is used to identify any discrepancies between the registry and RevMan.

Late registry updates

When information recorded in the registry changes, the distributor should ensure that the registry is updated within three business days. This section assesses compliance for updates to existing information, and initial population of data for new ICPs is assessed in **sections 3.4** and **3.5**. The table below shows late registry updates for changes to existing information.

Update	Date	Late	% Compliant	Average Days
Address	2021	2	98%	18.79
	2022	4	92%	122.12
	2024	5	95.14%	30.512
Price Codes	2021	15	99.50%	N/A
	2022	29	98.50%	N/A
	2024	28	98.08%	N/A
Status	2021	7	89%	1.89
	2022	1	97%	1.23

	2024	2	95.65%	N/A
Network (excl. New Connection & Distributed Generation)	2021	4	N/A	N/A
	2022	4	N/A	N/A
	2024	0	-	-
Distributed Generation	2021	14	44%	71.72
	2022	21	69%	18.38
	2024	10	88.37%	11.47
NSP changes	2021	6	N/A	N/A
	2022	2	N/A	N/A
	2024	0	-	-

Address events

103 address updates were made. The audit compliance reports identified five late address updates. These were examined and found that they all related to corrections of address information.

Pricing events

There were 1,460 pricing updates during the audit period. The audit compliance reports identified 28 pricing events which were backdated more than three business days. A sample of ten of the backdated events were examined and found:

- three were backdated changes at the request of the trader which were made within three business days of agreement being reached,
- two were corrections to update previous data entry errors, and
- five were due to late receipt of paperwork following metering changes.

Status events

The decommissioning process is discussed in **section 4.11**. The network is required to update the ICP to decommissioned within three days of the event, or the date that the trader changes the status to “inactive - ready for decommissioning”, whichever is later.

46 status updates to decommissioned were identified. The audit compliance reports identified two of the updates were made more than three business days after the trader’s update to “inactive - ready for decommissioning” status. The updates were made four and eleven days late due to delays receiving and processing paperwork from the field.

Network events

The network events evaluated excluded those relating to the population of the initial electrical connection dates (discussed in **section 3.5**), distributed generation updates (discussed below), NSP changes and the initial network events relating to the creation of ICPs. No late updates were identified by the audit compliance reports.

Distributed generation events

There were 86 updates related to the addition of distributed generation details. The audit compliance reports identified ten of the updates were later than three business days. The ten late updates were examined and found that all ten were due to the event date being incorrectly entered as the application date at the time of the update. All ten were subsequently corrected to record the correct event dates.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Jun-22 To: 02-Feb-24	Five late address updates. Seven late pricing updates from a sample of ten backdated events. Ten late updates of distributed generation information. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	I have recorded the controls as strong in this area as Network Waitaki has checks in place to identify and resolve discrepancies and the number of late updates was low. There is a minor impact on participants with late updates. The Audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
These were identified and corrected at time of audit.		March 2024	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Processes have been clarified, particularly around decommissioning, distributed generation, and pricing. Reports that are run out of Revman also assist with identifying discrepancies.		April 2024	

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

Code reference

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

Code related audit information

The distributor must notify the registry of the NSP identifier of the NSP to which the ICP is usually connected under clause 7(1)(b) of schedule 11.1.

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

Audit observation

The process to determine the correct NSP was examined. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Network Waitaki records the transformer number on the application form. This maps back to the NSP for each ICP in the Network Waitaki database.

The combined audit compliance reporting found two ICPs where the NSP may have been recorded incorrectly. Examination of these confirmed that the NSP was recorded accurately.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

The management of customer queries was discussed to confirm policy.

Audit commentary

Network Waitaki seldom receives direct requests for ICP identifiers. ICP identifiers can be provided immediately on request once the address has been confirmed.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 Schedule 11.1

Code related audit information

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

Audit observation

The process to ensure ICP addresses are unique and readily locatable was examined. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

When new ICP applications are processed the location address is verified in GIS and checked to ensure the address is unique. GPS location details are recorded in RevMan but are not populated on the registry.

The audit compliance report did not identify any ICPs with insufficient or duplicate address information. One ICP was identified with a Lot number only and no street number. Network Waitaki confirmed and added the street number to the registry at the time of the audit. Non-compliance is recorded as the address information was incomplete.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 16-Mar-22 To: 01-Mar-24	One ICP with insufficient address information was recorded on the registry. Potential impact: Low Actual impact: Low Audit history: Twice Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because they mitigate risk to an acceptable level. There is no impact on settlement and participants; therefore, the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
This was corrected at the time of audit.		March 2024	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
Clarification around what makes a complete address so that ICP management team understands what is required going forward. Have added additional notes to process in Promapp to highlight this.		April 2024	

4.5. Electrically disconnecting an ICP (Clause 3 Schedule 11.1)

Code reference

Clause 3 Schedule 11.1

Code related audit information

Each ICP created after 7 October 2002 must be able to be electrically disconnected without electrically disconnecting another ICP, except for ICPs that are the point of connection between a network and an embedded network, or ICPs that represent the consumption calculated by the difference between the total consumption for the embedded network and all other ICPs on the embedded network.

Audit observation

This was examined as part of the new connection process and proof of process was checked as part of the sample of new connections examined.

Audit commentary

Network Waitaki's new connections process contains a step that ensures that any ICP can be electrically disconnected without disconnecting any other ICP. Network Waitaki has some historic shared service mains. If any of these are found, separate fusing is installed to address this.

Audit outcome

Compliant

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

Code reference

Clause 7(1) Schedule 11.1

Code related audit information

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

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

unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (clause 7(1)(i) of schedule 11.1),

- *the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (clause 7(1)(j) of schedule 11.1),*
- *the status of the ICP (clause 7(1)(k) of schedule 11.1),*
- *designation of the ICP as "dedicated" if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under clause 7(1)(b) of schedule 11.1, or the ICP is a point of connection between a network and an embedded network (clause 7(1)(l) of schedule 11.1),*
- *if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (clause 7(1)(m) of schedule 11.1),*
- *if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (clause 7(1)(n) of schedule 11.1),*
- *if the ICP is capable of generating into the distributors network (clause 7(1)(o) of schedule 11.1):*
 - a) *the nameplate capacity of the generator; and*
 - b) *the fuel type,*
- *the initial electrical connection date of the ICP (clause 7(1)(p) of schedule 11.1).*

Audit observation

The management of registry information was reviewed. The registry list and audit compliance reports were examined to determine compliance. A typical sample of data discrepancies were checked. Registry data validation processes are discussed in **section 2.1**.

Audit commentary

The process for updating the registry is manual for all fields.

Review of the registry list and audit compliance report identified some data discrepancies. Non-compliance is recorded where data remained incorrect at the time of the on-site audit or was not identified and corrected through Network Waitaki's processes. Compliance is confirmed unless discussed below.

Initial electrical connection date

The process to populate initial electrical connection dates is described in **section 3.5**.

The audit compliance confirmed that there were no ICPs with missing initial electrical connection dates.

The audit compliance report identified 21 ICPs where the initial electrical connection date was different to the active date or the certification date. All 21 were examined and found:

- 15 where Network Waitaki had provided the correct date, this was confirmed by checking the new connection paperwork, and
- six were initially updated with the incorrect initial electrical connection dates due to data entry errors; all six have since been updated with the correct dates.

Distributed generation

The distributed generation process was examined. Network Waitaki has an application process which requires a form to be submitted by the owner. A Network Waitaki engineer reviews the application and approval is issued. An inspection must be completed, and copies of all documentation is provided to Network Waitaki prior to connection. Network Waitaki updates the registry when the system is connected, and the inspection and connection paperwork is returned.

Generation information completeness and accuracy

250 “active” ICPs have a non-zero generation capacity recorded on the registry list. All have installation type B or G and a fuel type recorded.

I checked the accuracy of fuel types by comparing them to the trader’s profile. In all cases, Network Waitaki’s fuel type was confirmed to be consistent with the trader’s profile where it indicated the fuel type.

Three ICPs with generation recorded by Network Waitaki did not have a generation compatible profile recorded by the trader. These were checked and the Network Waitaki information confirmed that distributed generation is connected and installed.

Unmetered Load

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

For the 73 active ICPs with unmetered load recorded by Network Waitaki, the trader also has unmetered load details populated.

I checked the accuracy of the unmetered load details recorded by Network Waitaki against the trader’s unmetered load details. The load matched for 71 ICPs. There was a discrepancy between the load details recorded for two ICPs, 0000556984WT423 and 0000725286WT729. These were investigated and it was found that for both Network Waitaki had recorded the wattage incorrectly as 0.1kW when the wattage recorded in the ICP application was 0.02kW.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1)(o) of Schedule 11.1 From: 01-Jun-22 To: 02-Feb-24	Incorrect initial electrical connection dates recorded in the registry for six ICPs. Incorrect unmetered load details recorded in the registry for two ICPs. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong because of the low number of inaccuracies identified. The audit risk rating is low as the errors found have a minor effect on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
These were identified and corrected at time of audit.		March 2024	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

ICP management team will check the daily report from Revman on a daily basis to pick up any discrepancies and rectify them as soon as possible.	April 2024	
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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 no later than ten business days after the trading of electricity at the ICP commences:

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

Audit observation

The management of registry information was reviewed. The registry list and audit compliance reports were reviewed to determine compliance.

Audit commentary

The price category and chargeable capacity are entered at the time of creation of an ICP. All new ICPs created during the audit period had pricing information loaded prior to initial electrical connection. The audit compliance reports identified one ICP, 0000372107WT38E, where the price category code was entered at the time of ICP creation but was inadvertently removed at the time the initial electrical connection date was entered due to an operator error. The price category code was repopulated 16 business days later therefore non-compliance is recorded.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.7 With: Clause 7(3) Schedule 11.1 From: 23-Nov-22 To: 01-Dec-22	Price category code was updated 16 business days after trading commenced for one ICP. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1
Audit risk rating	Rationale for audit risk rating

Low	The controls are recorded as strong as the Network Waitaki process normally ensures the price code is updated prior to trading. The audit risk rating is recorded as low as only one ICP was affected.		
Actions taken to resolve the issue		Completion date	Remedial action status
Unable to do anything to resolve this specific issue – correct pricing was entered not long after creation of ICP but it was 15 days after.		March 2024	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
This is not likely to occur so long as processes are followed, they have been checked and reiterated with the ICP management team.		April 2024	

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

Code reference

Clause 7(8) and (9) Schedule 11.1

Code related audit information

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

Audit observation

I checked the list file for ICPs with GPS co-ordinates recorded.

Audit commentary

Network Waitaki records GPS co-ordinates in its database but these are not recorded on the registry.

Audit outcome

Compliant

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

Code reference

Clause 14 Schedule 11.1

Code related audit information

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

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

Before an ICP is given the “ready” status in accordance with clause 14(1) of schedule 11.1, the distributor must:

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

Audit observation

The management of ICPs in relation to the use of the “ready” status was examined. The registry list and audit compliance reports were examined to determine compliance.

Audit commentary

Network Waitaki create the ICP at “ready”. Notification is sent to the proposed trader, customer, and electrician when the ICP has been approved and created. The trader is expected to notify Network Waitaki if they reject the ICP, and the customer is notified.

All 17 ICPs currently at the “ready” status had a trader nominated and a single price category code.

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

I checked the list file to confirm compliance.

Audit commentary

There are no ICPs with the “distributor” status.

Audit outcome

Compliant

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

Code reference

Clause 20 Schedule 11.1

Code related audit information

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

Decommissioning only occurs when:

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

Audit observation

The registry list and audit compliance reports were reviewed to identify ICPs at the “decommissioned” or “ready for decommissioning” status.

A sample of five “decommissioned” ICPs were examined. I also checked if any ICPs are currently at “ready for decommissioning” status.

Audit commentary

Network Waitaki’s ICP decommissioning requests mostly come directly from the property owner. The property owner’s permission is gained in all instances. Once this has been gained Network Waitaki’s contractors will carry out the decommissioning. The trader is advised to change the ICP to “inactive - ready for decommissioning” once Network Waitaki has received confirmation from the contactor that the decommissioning has taken place including confirmation that metering has been removed.

Network Waitaki monitors registry reports files for ICPs that are at “ready for decommissioning” status. Examination of the registry list file did not find any ICPs at “ready for decommissioning” status.

The timeliness of updates to decommissioned status are discussed in **section 4.1**.

A sample of five of the 43 ICPs decommissioned during the audit period were checked for accuracy by reviewing the decommissioning paperwork. The registry was updated with an incorrect event date for two of the five sampled, ICPs 0000476750WT3C1 and 0000540365WT5F7. The decommissioning date was correctly recorded in the decommissioning paperwork but incorrectly recorded in the registry. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: Clause 20 Schedule 11.1 From: 30-Mar-23 To: 02-Feb-24	Two of a sample of five ICPs checked had an incorrect decommissioning date recorded on the registry. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong to reflect the improvements made to the decommissioning process prior to completion of the audit as detailed in the excerpt below. The impact is assessed to be low as there is no impact on reconciliation.		
Actions taken to resolve the issue		Completion date	Remedial action status
These were identified and corrected at time of audit.		March 2024	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
We have now clarified this process (please see excerpt below) and have embedded this change into the team.		April 2024	

10.0 Updating the Registry to decommissioned

Customer Service Administrator

- a** Receive confirmation of decommission request from engineering or decommission work from Contracting - then email the retailer with all relevant information so that they can update the registry so that ICP decommissioning can be completed by Network Waitaki.

Once retailer confirms that it is ready for us to complete final steps, or sends their own request through follow the steps below:

NOTE: if we have sent the request to the retailer it will be picked up in the Daily Report from Revman to prompt ICP management team to complete final step. As back up it is worth keeping a note of the ICP number to check back on in the registry to check retailer has completed the work and is ready to complete decommissioning.

- b** Update the Registry using the following steps:

- Go to the Registry and search the ICP
- Click on Summary page
- Under ICP Status change it to 'decommissioned'
- Add in reason it is being de commissioned.
- Click on 'update' to save.
- Add notes in Revman for reference

(note this needs to be completed within 5 working days)

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

Code reference

Clause 23 Schedule 11.1

Code related audit information

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

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

A price category code takes effect on the specified date.

Audit observation

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

Audit commentary

There were two new price codes created during the audit period. Non-compliance is recorded as the registry was not updated at least two months prior to the start date as required by this clause for IND15U.

Price Code	Description	Start Date	Date updated
IND30U	WATA IND30U	3 September 2023	3 July 2023
IND15U	WATA IND15U	3 September 2023	3 September 2023

Ten price codes were end dated during the audit period; these codes were not assigned to any "active" ICPs during the audit period.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.12 With: Clause 23 Schedule 11.1 From: 03-Aug-23 To: 03-Sep-23	Registry not updated at least two months prior to the start date of price code IND15U. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as strong as price codes are normally updated as required by this clause and this code was created for one ICP which became "active" in December 2023. The impact is assessed to be low as the price code was created for one ICP only.		
Actions taken to resolve the issue	Completion date	Remedial action status	
Unable to resolve this issue except that the actual implementation of the pricing code to 1 ICP occurred 5 months after the registry update.	29 Apr 2024	Cleared	
Preventative actions taken to ensure no further issues will occur	Completion date		
Reinforcement of Registry timing requirements as prescribed by the Code	29 Apr 2024		

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

Network Waitaki has not created any new loss factors during the audit period.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 Schedule 11.1

Code related audit information

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

If the distributor wishes to replace an existing loss factor on the table on 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

Network Waitaki has not changed any loss factors during the audit period.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

If the distributor is creating or decommissioning an NSP that is an interconnection point between two local networks, the distributor must notify the reconciliation manager of the creation or decommissioning.

If the embedded network owner is creating or decommissioning an NSP that is an interconnection point between two embedded networks, the embedded network owner must notify 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 notify 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:

- *notify the reconciliation manager,*
- *notify the market administrator,*
- *notify each affected reconciliation participant,*
- *comply with Schedule 11.2.*

Audit observation

The NSP table was examined.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 26(1) and (2) Schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was examined.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

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

Code related audit information

If a participant has notified the creation of an NSP on the distributor's network, the distributor must notify the reconciliation manager of the following:

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

Audit observation

The NSP table on the registry was examined, and I examined situations where changes had occurred between GXPs in different balancing areas.

Audit commentary

Network Waitaki have one balancing area WTKIVLYWATAG.

BLACKPOINT balancing area BPT1101WATAG exists on the Network Supply Points table, but it is not in the Registry and does not have any ICPs associated to it. It is inserted between Transpower and a North Otago irrigation 11kV connection. Network Waitaki own some assets here and pass through charges.

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 notify the reconciliation manager at least one calendar month before the creation or transfer of:

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

Audit observation

The NSP table was reviewed.

Audit commentary

Network Waitaki has not created any new embedded networks during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 24(2) and (3) Schedule 11.1

Code related audit information

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

Audit observation

The NSP table on the registry was examined. No balancing areas were changed during the audit period, Network Waitaki only has one balancing area.

Audit commentary

The NSP table on the registry was examined. 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 notify any trader trading at the ICP of the transfer at least one calendar month before the transfer.

Audit observation

The NSP table was reviewed.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

6.7. Notification of transfer of ICPs (Clause 1 to 4 Schedule 11.2)

Code reference

Clause 1 to 4 Schedule 11.2

Code related audit information

If the distributor wishes to transfer an ICP, the distributor must notify the market administrator in the prescribed form, no later than three business days before the transfer takes effect.

Audit observation

The NSP table was reviewed.

Audit commentary

Network Waitaki has not initiated the transfer of any ICPs during the audit period.

Audit outcome

Compliant

6.8. Responsibility for metering information for NSP that is not a POC to the grid (Clauses 10.25(1) & (3))

Code reference

Clauses 10.25(1) & (3)

Code related audit information

A network owner must, for each NSP that is not a point of connection to the grid for which it is responsible, ensure that:

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

Audit observation

Network Waitaki is not responsible for any points of connection not connected to the grid.

Audit commentary

Network Waitaki's NSPs are all grid connected.

Audit outcome

Compliant

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

Code reference

Clause 10.25(2)

Code related audit information

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

- *assume responsibility for being the metering equipment provider (clause 10.25(2)(a)(i)); or*
- *contract with a metering equipment provider to be the MEP (clause 10.25(2)(a)(ii)); and*
- *no later than 20 business days after identifying the MEP advise the reconciliation manager in the prescribed form of the reconciliation participant for the NSP (clause 10.25(2)(b)); and*
- *no later than five business days after the date of certification of each metering installation, advise the reconciliation manager of*
 - a) the MEP for the NSP (clause 10.25(2)(c)(i)); and*
 - b) the NSP of the certification expiry date (clause 10.25(2)(c)(ii)).*

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Network Waitaki does not have any responsibility for NSP metering.

Audit outcome

Compliant

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

Code reference

Clause 29 Schedule 11.1

Code related audit information

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

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

At least one month notification is required before the acquisition (clause 29(2) of schedule 11.1).

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Network Waitaki has not acquired any networks.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Network Waitaki is not responsible for any embedded network gate meters.

Audit outcome

Compliant

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

Code reference

Clauses 5 and 8 Schedule 11.2

Code related audit information

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

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

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

Audit observation

The NSP supply point table was reviewed.

Audit commentary

Network Waitaki has not initiated the transfer of any ICPs during the audit period.

Audit outcome

Compliant

6.13. Transfer of ICPs for embedded network (Clause 6 Schedule 11.2)

Code reference

Clause 6 Schedule 11.2

Code related audit information

If the notification relates to an embedded network, it must relate to every ICP on the embedded network.

Audit observation

Network Waitaki has not acquired any networks.

Audit commentary

Network Waitaki has not initiated the transfer of any ICPs during the audit period.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

The distributor must notify the registry 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 notify the registry 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 for was reviewed to identify all ICPs with shared unmetered load.

Audit commentary

Network Waitaki does not have any shared unmetered load.

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 notify all traders affected by that change or decommissioning as soon as practicable after the change or decommissioning.

Audit observation

The registry list for was reviewed to identify all ICPs with shared unmetered load.

Audit commentary

Network Waitaki does not have any 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

Network Waitaki publishes reconciliation losses, which include technical losses and non-technical losses. I reviewed the process and supporting documentation in relation to the calculation of loss factors.

Audit commentary

There are three different loss factors: LV, HV (11kV) and HV (110 kV). Loss factor reviews are completed annually and follow the EA's guidelines. The last review was conducted in August 2023 and will see changes made to the Network Waitaki loss factors from 1 April 2024.

I obtained the latest UFE information from the EMI website (see chart below) which confirms that UFE is tracking within the accepted +/-1% threshold.

Network Waitaki UFE ratio (12 month rolling average)



emi.ea.govt.nz/r/dfmdd

Audit outcome

Compliant

CONCLUSION

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

Network Waitaki updates the registry directly and ICP information is also recorded in the RevMan database. There are robust processes in place to identify data discrepancies and errors and most issues are corrected once found. A small number of errors related to inaccurate entry of information were identified during the audit leading to non-compliance in four areas. These were all corrected when identified or at the time of the audit. Non-compliance is recorded in three areas due to late updating of the registry; the late updates are due to delays receiving and processing paperwork from the field or backdated corrections of registry information.

The audit found eight non-compliances and makes no recommendations. The next audit frequency table indicates that the next audit be due in 18 months. I have considered this in conjunction with Network Waitaki's comments and recommend an audit period of at least 24 months to reflect the improvements made in processes and correction of registry inaccuracies prior to the finalising of the audit.

PARTICIPANT RESPONSE

This has been a great opportunity to look at the processes that we have in place and to clarify and make adjustments if needed, particularly with the recent redistribution of metering resources and responsibilities within the company. We are confident that we now have processes in place to minimize risk around these non-compliances reoccurring. Thank you for your time and the valuable conversations we were able to have during the process.