

ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT



For

ELECTRICITY ASHBURTON LIMITED

NZBN: 9429039316172

Prepared by: Brett Piskulic

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EXECUTIVE SUMMARY

This distributor audit was conducted at the request of **Electricity Ashburton Limited (EA Networks)** to encompass the Electricity Industry Participation Code requirement for an audit in accordance with clause 11.10 of part 11.

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

This is the first audit since a material change audit was conducted in May 2023 when EA Networks began using Salesforce to manage ICP information. This audit assessed compliance for the period since the last full audit was conducted in November 2022 so includes the period before and after the change to Salesforce. All commentary regarding processes in this report refers to the current state, post Salesforce implementation.

Whilst there were some initial issues which delayed some registry updates of initial electrical connection dates, the period since the Salesforce implementation has seen an improvement in accuracy and timeliness of registry information. EA Networks has improved its processes to identify data discrepancies and errors using Salesforce and most issues are corrected once found.

The audit found six 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 EA Networks' 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)	<p>Incorrect effective dates for initial electrical connection date events recorded in the registry for two ICPs.</p> <p>One LE ICP with the incorrect NSP dedication flag of "N".</p> <p>Five of a sample of seven from 148 decommissioned ICPs had an incorrect decommissioning date recorded on the registry.</p>	Moderate	Low	2	Cleared
Initial electrical connection date population	3.5	7(2A) of schedule 11.1	16 late initial electrical connection date updates.	Strong	Low	1	Identified
Changes to registry information	4.1	Clause 8 of schedule 11.1	<p>248 late address updates.</p> <p>14 late status updates.</p> <p>Ten late NSP updates.</p> <p>108 late updates of distributed generation information.</p>	Strong	Low	1	Identified
Distributors to Provide ICP Information to the Registry	4.6	Clause 7(1)(o) of schedule 11.1	<p>Incorrect effective dates for initial electrical connection date events recorded in the registry for two ICPs.</p> <p>One LE ICP with the incorrect NSP dedication flag of "N".</p>	Strong	Low	1	Cleared

Provision of information to registry after the trading of electricity at the ICP commences	4.7	7(3) of schedule 11.1	Actual price category code was updated later than ten business days for after trading commenced for three ICPs.	Strong	Low	1	Identified
Management of "decommissioned" status	4.11	20 of schedule 11.1	Five of a sample of seven from 148 decommissioned ICPs had an incorrect decommissioning date recorded on the registry.	Moderate	Low	2	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	Issue	Description
		Nil	

1. ADMINISTRATIVE

1.1. Exemptions from Obligations to Comply with Code (Section 11)

Code reference

Section 11 of Electricity Industry Act 2010.

Code related audit information

Section 11 of the Electricity Industry Act provides for the Electricity Authority to exempt any participant from compliance with all or any of the clauses.

Audit observation

The Authority website was checked to determine whether there are code exemptions in place.

Audit commentary

There was one exemption in place which expired during the audit period. Exemption number 163 exempted EA Networks from complying with clauses 10.3(f)(i) and 15.38 in relation to the Upper Rakaia embedded network connected to the Orion Network and expired on 31 May 2023.

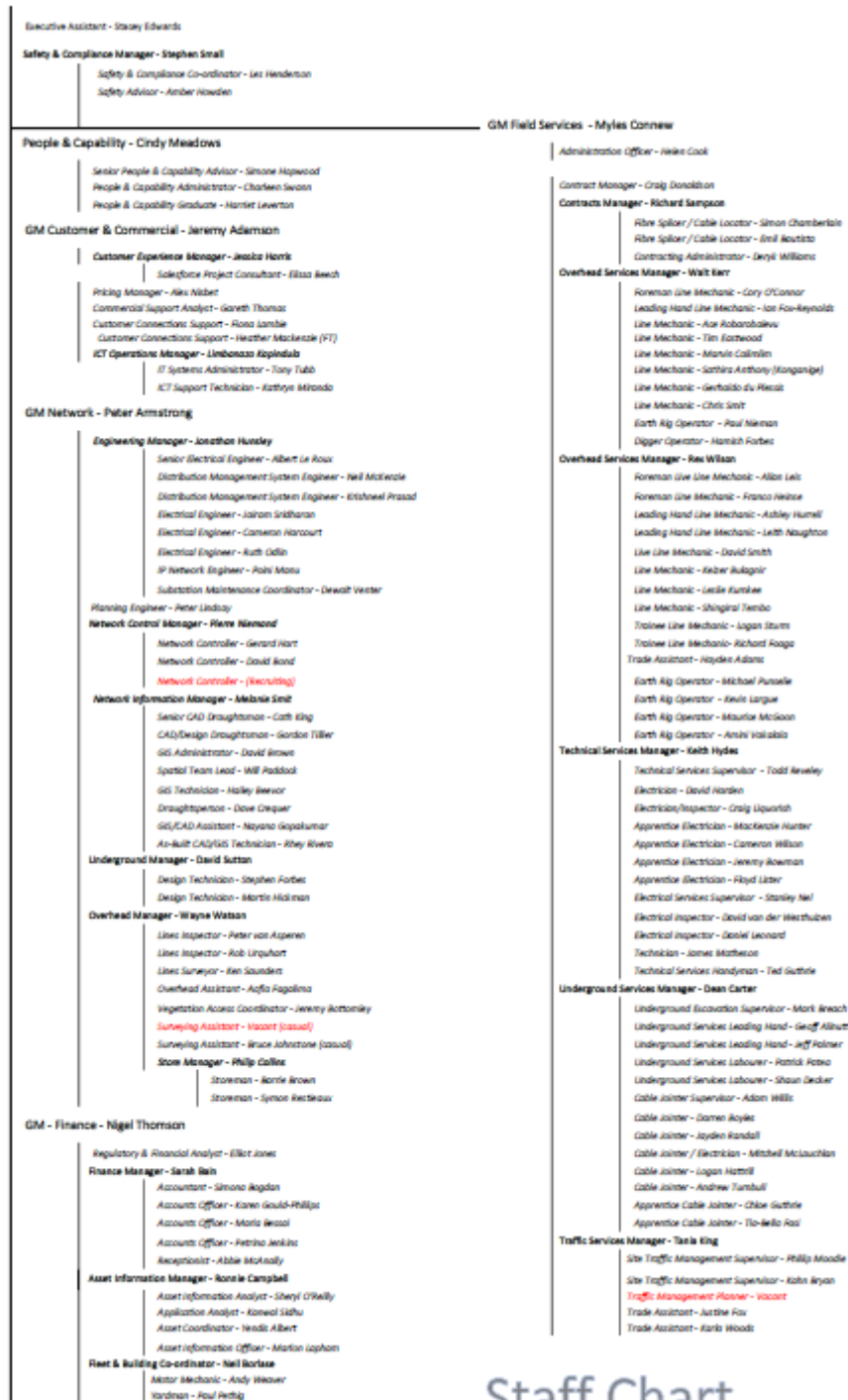
- Clause 10.3(f)(i) relates to the provision of a metering installation at the point of connection for the embedded network.
- Clause 15.38 relates to certification as a reconciliation participant.

EA Networks arranged for a metering installation to be installed and certified on 4 April 2023; the exemption is no longer required.

1.2. Structure of Organisation

Electricity Ashburton supplied a copy of the organisation structure chart below.

Chief Executive Officer - Onno Mulder



Staff Chart

1.3. Persons involved in this audit

Auditor:

Brett Piskulic

Provera

Electricity Authority Approved Auditor

Personnel assisting in this audit were:

Name	Title	Organisation
Jessica Harris	Customer Experience Manager	EA Networks
Alex Nisbet	Pricing Manager	EA Networks
Gareth Thomas	Commercial Support Analyst	EA Networks
Helen Cook	Administration Officer	EA Networks
Stanley Nel	Electrical Services Supervisor	EA Networks
Wayne Watson	Overhead Manager	EA Networks

1.4. Use of contractors (Clause 11.2A)

Code reference

Clause 11.2A

Code related audit information

A participant who uses a contractor

- *remains responsible for the contractor's fulfilment of the participants Code obligations,*
- *cannot assert that it is not responsible or liable for the obligation due to the action of a contractor,*
- *must ensure that the contractor has at least the specified level of skill, expertise, experience, or qualification that the participant would be required to have if it were performing the obligation itself.*

Audit observation

All activities are completed directly by EA Networks.

1.5. Supplier list

All activities are completed directly by EA Networks.

1.6. Hardware and Software

Registry and ICP information management – Salesforce

EA Networks has used Salesforce for registry and ICP information management since May 2023.

Access to systems is restricted using logins and passwords.

Backups are copied to tape, disk, and cloud storage. Incremental backups are recorded daily, with full backups are retained for each week, month, quarter, and year. Back up arrangements have been successfully tested.

Other systems

EA Networks operates an Arc network billing system (provided by Digital Stock) which receives Registry information for billing purposes and also provides an independent basis for discrepancy checking between Registry information and Salesforce information.

EA Networks separately maintains a GIS and Quick Map viewing tool to assist with ICP management, and discrepancy reporting between these systems is carried out weekly.

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

1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there have been no alleged breaches related to the scope of this audit since the previous EA Network audit in November 2022.

1.8. ICP and NSP Data

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

EA Networks NSPs

The table below lists the relevant NSPs and their associated balancing areas, and the number of “active” ICPs connected. URK0111 is an embedded network which was subject to an exemption until 30 May 2023 as discussed in **section 1.1**.

NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	Number of ICPs
ASB0661	ASHBURTON			ASHBURTEASHG	G	1 May 2008	20,942
URK0111	UPPER RAKAIA	COL0111	ORON	UPPERAKEASHE	E	1 May 2008	14

Networks embedded under EA Networks NSPs

One embedded network which was embedded under an EA Networks NSP was decommissioned on 30 June 2023 and all ten ICPs on the network were transferred to EA Networks.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	End Date
TENC	TAC0011	250 Tancred Street ASHBURTON	ASB0661	EASH	TAC0011TENCE	E	1 July 2019	30 June 2023

A second embedded network is connected to EA Networks' Upper Rakaia embedded network. The network owner of that embedded network is yet to take responsibility for it and is seeking an exemption to some requirements for operating the embedded network. EA Networks has established the distributor only embedded network gateway ICP 0000035179EA2C5 for this connection.

ICP status

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

Status	2024	2023	2022	2021	2020	2019	2018
New (999,0)	5	2	1	-	60	326	362
Ready (0,0)	38	25	31	32	143	11	10
Active (2,0)	20,956	20,694	20,507	20,149	19,726	19,528	19,307
Distributor (888,0)	1	2	2	2	2	-	-
Inactive – new connection in progress (1,12)	33	45	74	38	38	25	34
Inactive – electrically disconnected vacant property (1,4)	243	265	250	240	254	255	239
Inactive – electrically disconnected remotely by AMI meter (1,7)	39	34	24	20	25	27	28
Inactive – electrically disconnected at pole fuse (1,8)	4	6	5	4	3	2	3
Inactive – electrically disconnected due to meter disconnected (1,9)	1	2	2	2	6	3	2
Inactive – electrically disconnected at meter box fuse (1,10)	1	2	3	2	2	2	1
Inactive – electrically disconnected at meter box switch (1,11)	-	-	-	-	-	-	-
Inactive – electrically disconnected ready for decommissioning (1,6)	4	3	-	1	18	21	31
Inactive – reconciled elsewhere (1,5)	-	-	-	-	-	-	-
Decommissioned (3)	2,959	2,819	2,767	2,665	2,503	2,228	2,246

1.9. Authorisation Received

EA Networks 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 EA Networks to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

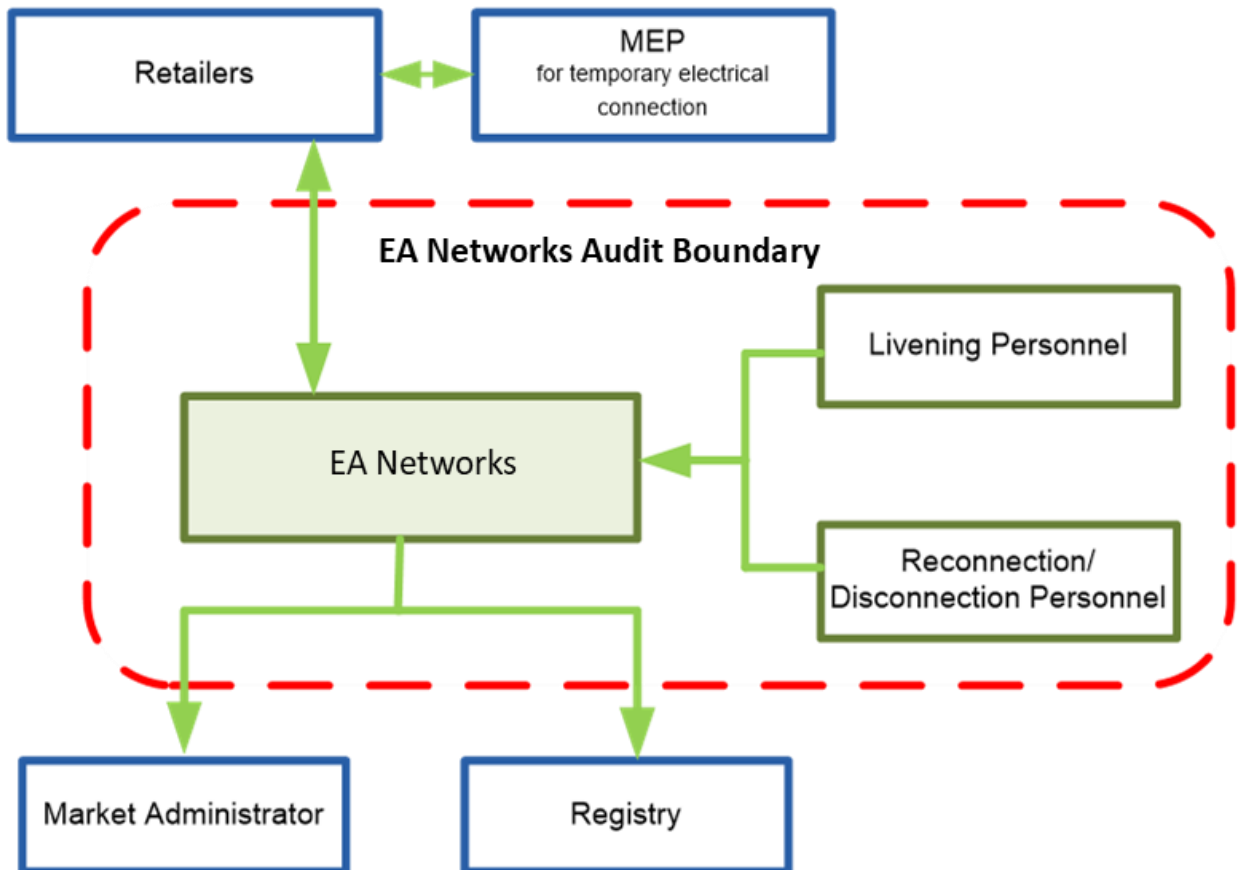
The audit was conducted in accordance with the Guideline for Distributor Audits V7.2, which was produced by the Electricity Authority.

The audit analysis was based on registry list, event detail and audit compliance reports for 1 November 2022 to 15 May 2024, and registry list snapshot and meter installation details reports for 15 May 2024.

The table below shows the tasks under clause 11.10(4) of Part 11, which EA Networks 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:



1.11. Summary of previous audit

A material change audit was conducted in May 2023 by Tara Gannon of Veritek Limited, that audit made one recommendation as shown below. The previous full audit conducted in November 2022 by Rebecca Elliot of Veritek Limited was reviewed. That audit found four non-compliances and made two recommendations. The current status of the non-compliances and recommendations from both audits are detailed in the tables below:

Table of non-compliance

Subject	Section	Clause	Non-compliance	Status
Requirement to provide complete and accurate information	2.1	11.2(1) and 10.6(1)	One ICP with the incorrect initial electrical connection date recorded.	Still existing for new examples.
Monitoring of “new” & “ready” statuses	3.14	15 of schedule 11.1	Ten ICPs at “new” or “ready” status not followed up with the nominated trader.	Cleared. EA Networks confirmed that these ICPs have been followed up with the traders, there were three remaining at the time of the audit.
Changes to registry information	4.1	8 of schedule 11.1	36 late address events. 18 late network updates to distributed generation details. Three late network updates to fields other than distributed generation details. 40 late pricing events. Five late updates to decommissioned status.	Still existing for new examples of late updates.
Distributors to Provide ICP Information to the Registry man	4.6	7(1) of schedule 11.1	One ICP with the incorrect initial electrical connection date recorded.	Cleared.

Table of Recommendations

Subject	Section	Recommendation	Description	Status
Monitoring of “new” & “ready” statuses	3.14	“New” and “ready” ICPs	Follow-up with traders to claim the ICPs at “ready” status that were required to be created for split ICPs.	Adopted, EA Networks confirmed that these ICPs have been followed up with the traders.
Distributors to Provide ICP Information to the Registry manager	4.6	Installation type and generation details	EA Networks to liaise with the trader to confirm why they have the DG profile applied.	Cleared
Recommendation from material change audit conducted in May 2023				
Requirement to provide complete and	2.1	Data consistency	Review the registry AC020 audit compliance reports at least monthly to identify potentially inaccurate	Cleared

Subject	Section	Recommendation	Description	Status
accurate information			<p>information which requires investigation and correction.</p> <p>Until a discrepancy report is added to identify ICPs with "active" status and no initial electrical connection date, I recommend that the AC020Distributior12 tab of the AC020 report is reviewed at least weekly.</p>	

2. OPERATIONAL INFRASTRUCTURE

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

Code reference

Clause 11.2(1) and 10.6(1)

Code related audit information

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

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

Audit observation

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

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

Audit commentary

Registry synchronisation

ICP status, address, network, and pricing information is maintained in Salesforce with an event date for each event type. Salesforce records the current values for each field against the ICP with the corresponding event date. Previous event information for each ICP can be obtained by viewing the historic inbound and outbound event file information held in Salesforce for the ICP, or directly on the registry.

Salesforce has controls in place to ensure that the data populated in fields which are also held on the registry are consistent with the registry's field specifications. Drop down boxes or pick lists are used to restrict input values where practical. System controls over data consistency and completeness include:

- event dates are selected from a calendar; a warning is given if the event date selected is more than three business days before today's date, and the user must enter a reason for the late update,
- the network and NSP default to EASH ASB0661 with dedicated NSP N and can be manually changed if the ICP is connected to URK0111,
- the loss factor defaults to L01 (which applies to 99.9% of "active" ICPs), and can be manually changed if a different loss factor is required,
- the proposed trader must be a valid participant identifier from a Salesforce list of approved traders for the network, and
- Salesforce uses a lookup function for addresses; the user begins typing an address and Salesforce displays valid addresses matching the entered information, so that the user can select the valid address but if the address cannot be found, the details can be manually populated.

Outbound registry updates include new connection information, decommissioning, changes to addresses, network information, and pricing information. The required fields (including the event date) are updated in Salesforce. Every 60 seconds, Salesforce produces an event file containing any newly saved events and transfers them to the registry via SFTP. The event is recorded in Salesforce with a status of "processing". Registry acknowledgement files are received via SFTP and imported into Salesforce every 30 seconds. These acknowledgements are matched to outbound status events by Salesforce. If an 000-

acknowledgement code is received the processing status changes to “completed”. If an error code is received the processing status for the event changes to “failed”.

The pricing team reviews ICP registry inbound and outbound event lists daily and investigates and resolves any failed updates. In the unlikely event that any failed updates are not resolved during the day, they will be identified through the discrepancy reporting the following morning because there will be a difference between the registry and Salesforce’s current records.

Inbound registry events, including events created on the registry by other participants and events created directly on the registry by EA Networks, are imported from registry notification files. Registry notification files are received from the registry overnight, and the event audit number is compared to the existing event audit numbers recorded in Salesforce. If the event audit number is not present, Salesforce is updated otherwise it is ignored. Salesforce treats any new event which is has not previously been received as the current record. This means that where there is a backdated change to insert an event before the most recent event of that type which is sent in a notification file, Salesforce treats it as though it is the most recent event. If this occurs it is detected and resolved as part of the daily discrepancy reporting process.

Event replacements can be sent from Salesforce to the registry by changing the ICP attributes for the most recent event date. Event reversals and replacements of older events are completed manually on the registry, and details are imported into Salesforce as for other inbound registry events. Any discrepancies created by these updates are identified and detected through the daily discrepancy reporting process.

Registry and data validation

Any unsynchronised or failed updates are identified, investigated, and resolved through daily discrepancy reporting and review of the inbound and outbound event files.

EA Networks validates Salesforce records against registry records nightly (and on demand) using a report generated from the EA Networks Data Warehouse Vault, comparing the ARC system (which receives ICP Registry data) to Salesforce.

EA Networks discrepancy checking process produces daily reports on:

- ICPs currently at “inactive - ready for decommissioning” status,
- ICPs at “ready” status for more than three months,
- ICPs at “ready” status with an initial electrical connection date populated,
- ICPs at any “active” status with price category POA,
- ICPs which have been decommissioned in Salesforce where the registry does not show “decommissioned” status, and
- ICPs at “active” status with no initial electrical connection date populated.

In the previous material change audit it was recommended that EA Networks review the registry’s AC020 compliance report at least monthly to identify potential data discrepancies. EA Networks adopted this recommendation for the initial months after implementation of Salesforce but now has confidence in its discrepancy reporting processes so no longer uses the AC020 report regularly.

Data accuracy issues

Whilst EA Networks 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
4.6	Initial electrical connection dates	Incorrect effective dates for initial electrical connection date events recorded in the registry for two ICPs.

Report section	Registry field(s)	Inaccurate data which was found during the audit
4.6	NSP dedicated flag	One LE ICP with the incorrect NSP dedication flag of "N".
4.11	Decommissioned date	Five of a sample of seven from 148 decommissioned ICPs had an incorrect decommissioning date recorded on the registry.

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 2.1 With: Clause 11.2(1)</p> <p>From: 29-Nov-22 To: 22-Feb-24</p>	<p>Incorrect effective dates for initial electrical connection date events recorded in the registry for two ICPs.</p> <p>One LE ICP with the incorrect NSP dedication flag of "N".</p> <p>Five of a sample of seven from 148 decommissioned ICPs had an incorrect decommissioning date recorded on the registry.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Once</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate as while EA Networks has robust processes to identify discrepancies and most corrections are made promptly there is room for improvements to ensure accuracy of event dates.</p> <p>The audit risk rating is low as the errors found have a minor effect on reconciliation.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
<p>The two initial energisation date errors have been investigated and corrected, and all other initial energisation dates that do not match the Trader's initial "active" status date have been checked.</p> <p>The LE ICP dedicated NSP flag has been corrected to "Y"</p> <p>The five incorrect decommissioning dates have been corrected, and all other decommissioning events where the decommission date matches the date the transaction was entered have been checked and corrected where necessary.</p>		June 2024	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	

<p>EA Networks has added checking criteria to its daily checking process to:</p> <ul style="list-style-type: none"> • Identify initial electrical connection dates that do not match initial active dates applied by the Trader, and • Identify situations where decommissioning events are dated on the same day they are processed (as updating the default effective date was identified as the main cause of the issue). <p>EA Networks has also removed the default date from the registry maintenance function in Salesforce to ensure that the user is prompted to consider the date.</p> <p>The single LE ICP with an incorrect NSP dedication flag of N has been corrected. Any future LE ICPs will be set up using the existing one as a template, so further non-compliance is not expected to occur.</p>	<p>June 2024</p>	
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2.2. Requirement to correct errors (Clause 11.2(2) and 10.6(2))

Code reference

Clause 11.2(2) and 10.6(2)

Code related audit information

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

Audit observation

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

Audit commentary

EA Networks 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 unbridge the

load control device or load control switch – as long as the load control switch does not control a time block meter channel.

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

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

Audit observation

Processes for removal and breakage of seals were examined.

Audit commentary

EA Networks may bridge load control switches if a trader provides a service request. The retailer also issues a job to Delta, Delta requests the outcome from the fault to determine if the load control requires un-bridging. Delta may request EA to un-bridge the load control, EA are working under the Delta test house and use the Delta seals to complete this.

Audit outcome

Compliant

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

Code reference

Clause 11.30A

Code related audit information

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

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

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

Audit observation

The Disputes Resolution information was examined for EA Networks to determine compliance.

The following were provided by EA Networks and examined:

- EA Networks website,
- letter templates,
- email signature examples, and
- the IVR message for in-bound phone calls to EA Networks.

Audit commentary

All of these provided clear and prominent information about Utilities Disputes for the consumer, including contact details and links to the Utilities Disputes website. The link on the EA Networks website is provided by selecting Complaints from the home 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 553 created during the audit period were checked from the point of application through to when the ICP was created.

Audit commentary

Applications for new connections are made by the customer or the customer's agent by completing a form on the EA Networks website. The form requires the proposed trader, address, and requestor information to be provided. Completion of the form triggers creation of a "new ICP connection request" case in Salesforce. The case is progressed through a Salesforce workflow to create an ICP number and update the registry. Unmetered new connections follow the same application process as metered new connections, with the exception of meter installation.

EA Networks provides sufficient information for the first registry update to enable ICPs to move directly to "ready" status, unless the ICP is genuinely not ready to be connected. The new status is normally only used when higher category ICPs are created, and there were no examples of this during the audit period.

- An ICP is created with "new" status if an ICP number, network participant identifier and address attributes are provided.
- An ICP is created with "ready" status if the point of connection, price category code, reconciliation type code, installation type, dedicated NSP, proposed trader and loss category code are also supplied.

If an ICP is created with "new" status it is updated to "ready" status on the registry once the information required is added into Salesforce and synchronised with the registry.

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 553 created during the audit period from 1 November 2022 to 15 May 2024 were checked from the point of application through to when the ICPs were created.

Audit commentary

The Salesforce new connection process was walked through. Following completion of each step, the Salesforce workflow automatically moves the application to the next step.

- Applications for new connections are made by the customer or the customer's agent by completing a form on the EA Networks website. The form requires the proposed trader, address, and requestor information to be provided. Completion of the form triggers creation of a "new ICP connection request" case in Salesforce.
- Salesforce workflows direct the case to a user, who allocates the application to an account, and checks if electricity is available to the boundary of the property. If electricity is not available at the boundary, a new power supply case is raised and followed through to provide electricity to the boundary.
- If electricity is available, retailer approval is requested by Salesforce sending an email to the proposed trader. Salesforce creates an ICP number, and an event is sent to the registry containing sufficient information for the ICP to be created and moved to "ready" status with price category POA.
- A user is alerted that a return email from the trader is received by a notification alert within Salesforce. They review the email to confirm the acceptance and select the retailer accepted button.
- After approval, the new connection job and meter installation are scheduled and completed. An EA Networks inspector completes the livening, meter installation and record of inspection in one visit. Traders raise a job for meter installation to Delta, who advise the MEP and send a job to EA Networks for meter installation.
- The EA Networks inspector enters the connection details into a network connection form (green form) on work completion which is returned for entry into Salesforce.
- The work completion information is checked by the pricing team for reasonableness including validating the price plan and confirming the address, validating dates and any issues are queried with the EA Networks inspector. An event is sent to the registry containing the initial electrical connection date, price category and any other changed fields.

The current status of new connections is monitored by viewing and filtering power cases within Salesforce, or viewing the ICP connection request dashboard which shows all new connections and which step of the workflow they are in.

I checked 20 new ICPs, and found they were all requested by the customer's agent. As the customer applies to EA Networks in the first instance, and not the retailer, the three-day rule does not apply. Compliance is confirmed.

Audit outcome

Compliant

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

Code reference

Clause 11.7

Code related audit information

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

Audit observation

A diverse characteristics sample of 20 new connection applications of the 553 created during the audit period from 1 November 2022 to 15 May 2024 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

New connection data is entered into Salesforce and transferred to the registry.

ICPs are created in Salesforce, and the user populates address, network, and pricing event information at the same time. There are controls over fields to ensure that they are consistent and meet the registry requirements. Once the required fields are populated and saved, they are synchronised with the registry according to the process in **section 2.1**.

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 registry information is discussed in **section 4.6**.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of schedule 11.1

Code related audit information

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

Audit observation

The new connection process was examined. The 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.

The timeliness of provision of initial electrical connection dates is discussed separately in **section 3.5**.

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 manager 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

An EA Networks inspector completes the livening, meter installation, and record of inspection in one visit, and enters work completion details into a network connection form (green form) on work completion which is returned for entry into Salesforce. The work completion information is checked by the pricing team for reasonableness, and any issues are queried with the EA Networks inspector. An event is sent to the registry containing the initial electrical connection date, price category and any other changed fields.

Daily reporting is in place to identify ICPs at “ready” status with an initial electrical connection date populated and ICPs at “active” status with no initial electrical connection date populated.

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 16 ICPs where the initial electrical connection date update was backdated by more than ten business days.

All 16 backdated events were examined and found:

- six were initially entered within the correct timeframe but were identified as having the effective date incorrectly entered due to human error and subsequently corrected,
- one where an historic initial electrical connection date was inadvertently removed at the time of the addition of distributed generation information and subsequently corrected,
- three where the case status was not correctly updated in Salesforce to allow the information to flow to the registry due to human error, this was picked up by discrepancy reporting and corrected, and
- six where a system error prevented the information to flow from Salesforce to the registry, this was picked up by discrepancy reporting and corrected.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of schedule 11.1 From: 29-Nov-22 To: 22-Feb-24	16 late initial electrical connection date updates. Potential impact: Low Actual impact: Low Audit history: None 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 EA Networks 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
All issues identified where the result of backdated entries or corrections applied prior to the audit being carried out – although updates were late, no further remedial changes are required.		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
EA Networks has addressed the system errors that were preventing timely updates, and taken the opportunity to provide additional staff training on the processes with the aim of improving update times. Where discrepancy checking detects non-compliance, these will be followed up at the time in order to catch non-compliance quickly, and address systematic problems sooner.		June 2024	

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

Code reference

Clause 11.17

Code related audit information

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

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

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

Audit observation

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

No shared unmetered load is recorded on the EA Networks network.

Audit commentary

Applications for new connections require a proposed trader to be selected. The proposed trader is populated on the registry during the initial registry update for the ICP.

The new connection workflow process ensures that trader acceptance is obtained prior to initial electrical connection. Retailer approval is requested by Salesforce sending an email to the proposed trader. A user is alerted that a return email is received by a notification alert within Salesforce. They review the email to confirm the acceptance and select the retailer accepted button. After approval, the new connection job and meter installation are scheduled and completed.

Review of a registry list snapshot for 15 May 2024 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 any ICPs on EA Networks’ 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. 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 the 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.

EA Networks 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

The EA Networks' processes are robust in relation to this clause as an ICP will not be electrically connected without the agreement from the trader, who in turn has agreement with an MEP for the ICP.

Usually, network and meter connections are completed on the same day. EA Networks' inspectors do not live unless a meter is present if the ICP is to be metered.

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 point of connection to grid (Clause 10.30)

Code reference

Clause 10.30

Code related audit information

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

The distributor must, within five business days of connecting the NSP that is not a point of connection to the grid, advise the reconciliation manager of the following in the prescribed form:

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

Audit observation

The NSP table was reviewed.

Audit commentary

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

Audit outcome

Compliant

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

Code reference

Clause 10.30(A)

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.*

Audit observation

The NSP table was reviewed.

Audit commentary

No new NSPs 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) of schedule 11.1

Code related audit information

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

yyyyyyyyyyxxccc where:

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

Audit observation

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

Audit commentary

ICP numbers are created in the correct format by Salesforce. Salesforce prevents duplicate ICP numbers from being created and ensures that ICP numbers are in the correct format. Review of the registry information confirmed compliance.

Audit outcome

Compliant

3.12. Loss category (Clause 6 Schedule 11.1)

Code reference

Clause 6 of 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 “active” ICP has a single loss category, which clearly identifies the relevant loss factor.

The synchronisation processes discussed in **section 2.1** ensure that loss category data is updated on the registry. The loss factor defaults to L01 (which applies to 99.9% of “active” ICPs) which is used for all low voltage ICPs and can be manually changed if a different loss factor is required. There are seven loss factors which are used for ten high voltage ICPs. The U01 loss factor is used for all ICPs on the Upper Rakaia embedded network.

Audit outcome

Compliant

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

Code reference

Clause 13 of 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

EA Networks creates the majority of new ICPs at the “ready” status. “New” status is only be applied when a new ICP is not ready for activation, this is usually used for higher category ICPs only.

There were five ICPs at the “new” status at the time of the audit.

EA Networks creates an ICP and enters the ICP’s attributes into Salesforce. Address, network, and pricing events are transferred to the registry once the minimum information required to create the ICP is synchronised to the registry. There are controls over fields to ensure that they are consistent and meet the registry’s requirements. The registry automatically applies an ICP status, dependent on which fields are populated in the Salesforce registry update.

- An ICP is created with “new” status if an ICP number, network participant identifier and address attributes are provided.

- An ICP is created with “ready” status if the point of connection, price category code, reconciliation type code, installation type, dedicated NSP, proposed trader and loss category code are also supplied.

If an ICP is created with “new” status it is updated to “ready” status on the registry once the information required is added into Salesforce and synchronised with the registry.

If an ICP is created at “ready” status and found to no longer be required, the pricing category is removed in Salesforce by reversing the price category entry. Once synchronised with the registry this returns the ICP to “new” status, and then it can be moved to “decommissioned - set up in error” status.

Audit outcome

Compliant

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

Code reference

Clause 15 of 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

ICPs at “ready” status are identified through the daily exception reporting process and are followed up with the trader before they have been at the status for 24 months. EA Networks only uses the “new” status in rare instances where the ICP is not ready for activation, and these are manually monitored.

The previous audit recommended that ten ICPs which were to be split had been at “ready” status for more than 24 months be followed up with the trader for the existing ICP. EA Networks have adopted this recommendation and the ICPs are being investigated with the traders. At the time of the audit there were three of the ten ICPs remaining at the “ready” status for more than 24 months and EA Networks confirmed they have been in communication with the traders regarding these three ICPs.

There were no ICPs at the “new” status for more than 24 months.

Audit outcome

Compliant

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

Code reference

Clause 7(6) of schedule 11.1

Code related audit information

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

- the loss category code must be unique; and
- the distributor must provide the following to the reconciliation manager:
 - o the unique loss category code assigned to the ICP,
 - o the ICP identifier of the ICP,
 - o the NSP identifier of the NSP to which the ICP is connected,
 - o the plant name of the embedded generating station.

Audit observation

The registry list was examined.

Audit commentary

Review of a registry list snapshot for 15 May 2024 found “active” ICP 0000026335EA378 has a capacity greater than 10 MW (28 MW) and it has a unique loss category of H01.

ICP 0000034889EAA7B which is at the “new” status has a capacity of 47.2MW and has a unique loss category of M06.

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

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

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 which is agreed by Ashburton District Council, EA Networks and the trader. Applications are received by EA Networks and Ashburton District Council for connection of new streetlights. Once approved the connection is completed by EA Networks and the connection paperwork is then returned to EA Networks who update the RAMM database on behalf of Ashburton District Council.

Shared unmetered load

There is no shared unmetered load on EA Networks' network.

Audit outcome

Compliant

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

Code reference

Clauses 10.30C and 10.31C

Code related audit information

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

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

Audit observation

The disconnection process was examined.

Audit commentary

EA Networks 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 as requested by the trader.

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

Audit observation

Processes for meter bridging were reviewed.

Audit commentary

EA Networks may bridge a meter if a trader provides a service request. The retailer also issues a job to Delta, and Delta request the outcome from the fault to determine if the meter requires un-bridging. Delta may request EA Networks to un-bridge the meter; EA Networks are working under the Delta test house and use the Delta seals to complete this. I checked two examples of bridged meters and confirmed that notification was provided to the trader within one business day.

Audit outcome

Compliant

4. MAINTENANCE OF REGISTRY INFORMATION

4.1. Changes to registry information (Clause 8 Schedule 11.1)

Code reference

Clause 8 of schedule 11.1

Code related audit information

If information held by the registry that relates to an ICP for which the distributor is responsible changes, the distributor must give written notice to the registry manager of that change.

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

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

If the change to the NSP identifier is for more than 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 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

ICP status, address, network, and pricing information is maintained in Salesforce with an event date for each event type.

Outbound registry updates include new connection information, decommissioning and changes to addresses, network information and pricing information. The required fields (including the event date) are updated in Salesforce. Every 60 seconds, Salesforce produces an event file containing any newly saved events and transfers them to the registry via SFTP. The event is recorded in Salesforce with a status of "processing". Registry acknowledgement files are received via SFTP and imported into Salesforce every 30 seconds. These acknowledgements are matched to outbound status events by Salesforce. If an 000-acknowledgement code is received the processing status of the update changes to "completed". If an error code is received the processing status for the event changes to "failed".

The pricing team reviews ICP registry inbound and outbound event lists daily and investigate and resolve any failed updates. In the unlikely event that any failed updates are not resolved during the day, they will be identified through the discrepancy reporting the following morning because there will be a difference between the registry and Salesforce's current records.

Inbound registry events, including events created on the registry by other participants and events created directly on the registry by EA Networks are imported from registry notification files. Registry notification files are received from the registry overnight, and the event audit number is compared to the existing event audit numbers recorded in Salesforce. If the event audit number is not present, Salesforce will be updated. Salesforce will treat any new event which is has not previously received as the current record.

This means that where there is a backdated change to insert an event before the most recent event of that type it will be sent in a notification file and Salesforce will treat it as though it is the most recent event. If this occurs it is detected and resolved as part of the daily discrepancy reporting process.

Event replacements can be sent from Salesforce to the registry by changing the ICP attributes for the most recent event date. Event reversals and replacements of older events are completed manually on the registry, and details are imported into Salesforce as for other inbound registry events. Any discrepancies created by these updates are identified and detected through the daily discrepancy reporting process.

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	2022	36	94.5%	N/A
	2024	248	98.83%	< 1
Price Codes	2022	40	N/A	N/A
	2024	116	93.90%	N/A
Status	2022	5	93.89%	1.89
	2024	14	92.39%	1.41
Network (excl. New Connection & Distributed Generation)	2022	3	N/A	N/A
	2024	0	N/A	N/A
Distributed Generation	2022	-	-	-
	2024	108	37.57%	14.34
NSP changes	2022	3	N/A	N/A
	2024	13	N/A	N/A

Address events

21,148 address updates were made. The audit compliance reports identified 248 late address updates. These were examined and found that they all related to corrections or improvements of address information. EA Networks conducted a project to review and update addresses during the audit period. Improvements made were backdated to the previous event date, EA Networks advised that the process has been updated and improvements to addresses such as adding property names will not be backdated in future.

Pricing events

There were 1,902 pricing updates during the audit period. The audit compliance reports identified 116 pricing events which were backdated more than three business days. A sample of ten of the backdated events were examined and found that in all ten cases EA Networks had updated the registry within three business days of agreement being reached with the trader. EA Networks’ process is to always gain agreement from the trader before making backdated changes to pricing information.

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.

184 status updates to decommissioned were identified. The audit compliance reports identified 14 of the updates were made more than three business days after the trader’s update to “inactive - ready for decommissioning” status. All 14 late updates were examined and found:

- four were due to delays receiving and processing paperwork from the field, and
- ten were due to the status change to “inactive - ready for decommissioning” not being picked up in discrepancy reporting prior to the implementation of Salesforce.

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.

NSP Changes

The audit compliance report identified 13 late NSP change events. All 13 late updates were examined and found:

- three were due to corrections made after the last audit to update distributed generation information; these were not NSP changes, and
- ten were updates of NSP for the ten ICPs which were transferred from a decommissioned embedded network to EA Networks; EA Networks was prevented from making the changes within three business days by the transfer not being updated on the registry by the Electricity Authority until eight business days after the transfer date of 1 June 2023.

Distributed generation events

There were 173 updates related to the addition of distributed generation details. The audit compliance reports identified 108 of the updates were later than three business days. A sample of ten late updates were examined and found:

- two were due to late return of completion information by solar installers,
- seven were due to late return of paperwork by EA Networks inspectors, and
- one was due to a delay in processing the returned paperwork by EA Networks.

Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 4.1</p> <p>With: Clause 8 of schedule 11.1</p> <p>From: 01-Nov-22</p> <p>To: 15-May-24</p>	<p>248 late address updates.</p> <p>14 late status updates.</p> <p>Ten late NSP updates.</p> <p>108 late updates of distributed generation information.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>

Audit risk rating	Rationale for audit risk rating		
Low	I have recorded the controls as strong in this area as EA Networks 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
No remedial action taken – updates were late but not incorrect.		N/A	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
<p>System changes have been made to prevent or reduce the occurrence of late updates - default dates have been removed (preventing updates acquiring the date of the previous event update) and during the audit period, a feature was added asking the user for a reason if updates are backdated more than 3 days.</p> <p>Distributed generation updates are often reliant on information being returned by external parties that are not bound by the Code, and we have limited ability to enforce provision of the information. We will continue to monitor:</p> <ul style="list-style-type: none"> • Recorded export • Metering upgrades to export metering • Export reconciliation profiles • Electricity high risk register <p>for indications that generation has been installed, and will follow up with installers and property owners where relevant.</p>		June 2024	

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

Code reference

Clauses 7(1), 7(4) and 7(5) of schedule 11.1

Code related audit information

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

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

Audit observation

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

Audit commentary

NSP Assignment

Salesforce automatically assigns ASB0661, and if a new ICP is connected to embedded network URK0111, the NSP will be manually updated in Salesforce and transferred to the registry.

NSP Accuracy

Currently, all “active” ICPs are connected to either ASB0661 or the embedded network URK0111. The audit compliance report did not identify any ICPs on a street have a different NSP to the other ICPs.

Audit outcome

Compliant

4.3. Customer queries about ICP (Clause 11.31)

Code reference

Clause 11.31

Code related audit information

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

Audit observation

The management of customer queries was examined.

Audit commentary

EA Networks receives direct requests for ICP identifiers. ICP identifiers are provided immediately on request once the address has been confirmed. EA Networks also advises customers that information about their ICP can be obtained from the Electricity Authority’s “My Meter” website.

Audit outcome

Compliant

4.4. ICP location address (Clause 2 Schedule 11.1)

Code reference

Clause 2 of 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

Salesforce uses a lookup function for addresses. The user begins typing an address and Salesforce displays valid addresses matching the entered information, so that the user can select the valid address. If the address cannot be found the details can be manually populated. As part of the ICP address creation process, users check that the address entered is complete and unique.

The audit compliance report did not identify any ICPs with duplicate address information. Four ICPs were identified containing the Lot number in the address, all four were updated with full address details at the time of the audit. EA Networks usually confirms permanent addresses when an ICP moves from a builder's temporary to permanent supply as the updated address details are returned in the paperwork from the field.

Audit outcome

Compliant

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

Code reference

Clause 3 of 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

For new connections, this clause is well understood. The Network Connection Form contains details of isolation (fusing) which confirms individual isolation points for each ICP.

Audit outcome

Compliant

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

Code reference

Clause 7(1) of 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

Registry synchronisation and data validation

The registry synchronisation and validation processes are discussed in detail in **section 2.1**.

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 EA Networks' processes. Compliance is confirmed unless discussed below.

Initial Electrical Connection Dates

Initial electrical connection dates are entered into Salesforce, and transferred to the registry once EA Networks receives confirmation that the initial electrical connection is complete. Daily reporting is in place to identify ICPs at "ready" status with an initial electrical connection date populated and ICPs at "active" status with no initial electrical connection date populated.

The audit compliance report identified 17 ICPs where the initial electrical connection date was different to the "active" date or the certification date. All 17 were examined and found:

- ten where EA Networks had provided the correct date, which was confirmed by checking the new connection paperwork,
- four ICPs have been split; this was a paperwork exercise to establish an ICP for each point of connection to the network and EA Networks agreed with the trader that the initial electrical connection date would be populated with the date that the data was collected from site (the trader has a different date, which is why these do not align),
- two ICPs, 0000035099EA17B and 0000035044EA362, had initially been updated with an incorrect electrical connection date due to data entry errors; both have subsequently had new events recorded with correct dates but have incorrect effective dates applied, and
- one was initially updated with the incorrect initial electrical connection date due to a data entry error; this has since been updated with the correct date.

Distributed generation

The distributed generation process was examined. EA Networks has an application process which requires a form obtained from the EA Networks website, to be submitted by the owner. EA Networks reviews the application and approval is issued. EA Networks requires the installer to provide copies of the certificate of compliance (COC) and record of inspection (ROI) once the system is installed and connected. Once generation is confirmed to have been installed and the correct details are confirmed by checking the application, COC and ROI, Salesforce is updated, and the new network attributes are transferred to the registry.

Reporting is in place to identify cases where export metering has been installed or there is export volume identified in retailer billing files, but no generation details have been recorded by EA Networks.

Generation information completeness and accuracy

Examination of the registry list found there were 536 "active" ICPs with a non-zero generation capacity recorded on the registry. 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, EA Networks fuel type was confirmed to be consistent with the trader’s profile where it indicated the fuel type.

There were 14 ICPs with generation recorded by EA Networks that did not have a generation compatible profile recorded by the trader. These were checked and the EA Networks information confirmed that distributed generation is connected and installed. EA Networks has followed up the retailer regarding all 14 cases.

The audit compliance report identified ten ICPs where the trader has a profile indicating distributed generation is present but no distributed generation details are recorded on the registry by EA Networks. All ten were checked and found:

- the solar generation system had been decommissioned at three ICPs,
- applications had been received but no notification of installation completion have been received for two ICPs,
- one ICP has since been updated following the provision of installation documentation, and
- four ICPs where there has been no application received by EA Networks and there has been no export volume identified.

Unmetered load

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

For the 72 “active” ICPs with unmetered load recorded by EA Networks, the trader also has unmetered load details populated.

I checked the accuracy of the unmetered load details recorded by EA Networks against the trader’s unmetered load details. The load matched for 64 ICPs where I was able to compare the trader and distributor details.

Dedicated NSP Flag

The list file shows one ICP, 0000035179EA2C5, that has an ICP status of “distributor”. This ICP was created on 28 March 2023 as an LE ICP for an embedded network owned by Orion which is connected to the EA Networks Upper Rakaia embedded network.

The dedicated and non-dedicated flag recorded for this ICP in the registry was checked. All LE ICPs are expected to be set to “Y”. The NSP dedicated flag was updated in error to “N” on 2 May 2023, this event was reversed, and the flag updated to “Y” at the time of the audit.

Audit outcome

Non-compliant

Non-compliance	Description
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Audit Ref: 4.6 With: Clause 7(1)(o) of Schedule 11.1 From: 01-Nov-22 To: 15-May-24	Incorrect effective dates for initial electrical connection date events recorded in the registry for two ICPs. One LE ICP with the incorrect NSP dedication flag of "N". 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, 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
The LE ICP NSP Dedication flag (for the unused embedded network ICP) was corrected to "Y" at the time of the audit. All EA Networks' ICPs <u>are</u> dedicated to the NSP from which they are supplied and the Code requires this to be recorded as "N", except for LE ICPs where the code requires this to be recorded as "Y". The initial energisation dates that were found to be incorrect have been corrected.	May 2024	Cleared
Preventative actions taken to ensure no further issues will occur	Completion date	
Any future LE ICPs will use the existing LE ICP as a template, and acquire the "Y" indication for the dedicated NSP flag. System changes have been made to ensure that subsequent updates to the registry network event retain the original initial energisation date. Default dates have also been removed to prompt the user to consider the date being applied for the registry update.	June 2024	

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) of 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

ICPs are created with a POA pricing code, which is updated when work completion details are entered into Salesforce and checked by the pricing team.

The audit compliance reports identified three ICPs where the actual pricing code was not updated within ten business days of the initial electrical connection date. Two of the three were also identified in **section 3.5** due to late updating of the initial electrical connection dates. One was identified in the audit compliance reports as having a blank initial electrical connection date and was updated late after the reports were generated for this audit due to late return of paperwork from the field. Details of the three ICPs are as follows,

ICP	IECD/Active date	Price code updated	Business days	Reason for late update
0000035391EA06C	10 May 2024	4 June 2024	16	Late return of paperwork from the field.
0000035120EA49C	9 August 2023	6 September 2023	20	Case status was not correctly updated in Salesforce to allow the information to flow to the registry due to human error.
0000035391EA06C	11 December 2023	22 February 2024	47	Case status was not correctly updated in Salesforce to allow the information to flow to the registry due to human error.

Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.7 With: Clause 7(3) of schedule 11.1 From: 23-Aug-23 To: 04-Jun-24	Actual price category code was updated later than ten business days after trading commenced for three ICPs. 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 EA Networks process normally ensures the actual price code is updated within ten business days. The audit risk rating is recorded as low as only three ICPs were affected.	
	Actions taken to resolve the issue	Completion date
	Missing information found in the audit has been corrected.	April 2024
	Preventative actions taken to ensure no further issues will occur	Completion date
	Salesforce job flow has been corrected to ensure that jobs are automatically moved to the next step in the process which will eliminate the majority of the delays observed.	June 2024
		Identified

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

Code reference

Clause 7(8) and (9) of schedule 11.1

Code related audit information

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

Audit observation

The registry list was reviewed to determine compliance.

Audit commentary

Review of a registry list snapshot for 15 May 2024 confirmed that EA Networks do not populate GPS coordinates.

Audit outcome

Compliant

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

Code reference

Clause 14 of 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

ICPs move directly to “ready” status if they are ready for connection.

EA Networks creates an ICP and enters the ICP’s attributes into Salesforce. Address, network, and pricing events are transferred to the registry once the minimum information required to create the ICP is synchronised to the registry. There are controls over fields to ensure that they are consistent and meet the registry’s requirements. The registry automatically applies an ICP status, dependent on which fields are populated in the Salesforce registry update.

- An ICP is created with “new” status if an ICP number, network participant identifier and address attributes are provided.
- An ICP is created with “ready” status if the point of connection, price category code, reconciliation type code, installation type, dedicated NSP, proposed trader and loss category code are also supplied.

If an ICP is created with “new” status it is updated to “ready” status on the registry once the information required is added into Salesforce and synchronised with the registry.

If an ICP is created at “ready” status and found to no longer be required, the pricing category can be removed in Salesforce by reversing the price category entry. Once synchronised with the registry this will return the ICP to “new” status, and then it can be moved to “decommissioned - set up in error” status.

Review of a registry list snapshot for 4 May 2024 confirmed that all 38 ICPs at “ready” status had a single price category assigned and proposed trader identified. Monitoring of ICPs at “ready” status is discussed in **section 3.14**.

Audit outcome

Compliant

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

Code reference

Clause 16 of schedule 11.1

Code related audit information

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

Audit observation

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

Audit commentary

EA Networks supplies one ICP with “distributor” status; ICP 0000035179EA2C5. This ICP was created on 28 March 2023 as an LE ICP for an embedded network owned by Orion which is connected to the EA Networks Upper Rakaia embedded network.

Two LE ICPS for the embedded network TAC0011 were decommissioned during the audit period on 31 May 2024.

Status changes to and from “distributor” status are completed manually using the registry user interface. EA Networks have no shared unmetered load connections on their network.

Audit outcome

Compliant

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

Code reference

Clause 20 of 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 process to decommission ICPs was checked. The registry list and audit compliance reports were reviewed to identify ICPs at the “decommissioned” or “ready for decommissioning” status. A sample of seven “decommissioned” ICPs were examined.

Audit commentary

The Salesforce decommissioning process was walked through. Following completion of each step, the Salesforce workflow automatically moves to the next step:

- retailers request decommissioning by emailing EA Networks decommissioning email address; the email is received by Salesforce and triggers creation of an “ICP decommissioning” case in Salesforce,
- Salesforce workflows direct the case to a user, who allocates the application to the correct ICP which adds all the required ICP information for the case,
- EA Networks issues a job to Delta to check and decommission the ICP, and on return of paperwork an email is sent to the retailer advising the decommissioning date and requesting that the status is updated to “inactive - ready for decommissioning”, and
- daily reporting identifies ICPs that are at “ready for decommissioning” and the status is updated to “decommissioned” on the following day.

In some cases, EA Networks is asked to decommission an ICP by someone other than the trader, e.g., the fire service in the event of a fire, or a customer. If the decommissioning has not already been completed EA Networks will obtain trader approval first, unless the decommissioning is due to a safety incident then they will notify the retailer as soon as possible.

Four ICPs were at “inactive - ready for decommissioning” status in the registry list file, all four ICPs were moved to “decommissioned” status one day after the “inactive - ready for decommissioning” status event was entered.

A total of 184 ICPs were decommissioned during the audit period, 36 were decommissioned due to being no longer required and the status reason was correctly recorded as “set up in error”. A sample of seven of the remaining 148 decommissioned ICPs were checked for accuracy by reviewing the decommissioning paperwork. The registry was updated with an incorrect event date for five of the seven ICPs sampled, ICPs 0000021663EAB9A, 0000021628EA7EB, 0000023077EA57B, 0000015472EA0D9 and 0000017156EAAC3. The decommissioning date was correctly recorded in the decommissioning paperwork but incorrectly recorded in Salesforce and the registry as the date the update was made due to human error. The event date field defaults to the current day and needs to be manually updated to the actual date. This is recorded as non-compliance.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.11 With: Clause 20 of schedule 11.1 From: 01-Nov-22 To: 15-May-24	Five of a sample of seven from 148 decommissioned ICPs had an incorrect decommissioning date recorded on the registry. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are recorded as moderate as while the decommissioning processes are strong there is room for improvements to ensure accuracy of event dates. 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
All decommissioning dates in the audit period have been reviewed and corrected.		April 2024	Cleared
Preventative actions taken to ensure no further issues will occur		Completion date	
The incorrect decommission dates were found to have occurred where a default date (the current date) was used during the registry update process. The default date has been removed from Salesforce to ensure that the user considers the date being used for the event update. Further staff training has also been undertaken to ensure the correct decommission date is considered when processing these.		June2024	

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

Code reference

Clause 23 of 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

Price category codes are created and updated manually using the registry user interface, and valid price category codes are loaded into Salesforce for selection.

There were eight new price codes created during the audit period. All eight were created and updated to the registry at least two months prior to the start date as required by this clause.

Audit outcome

Compliant

5. CREATION AND MAINTENANCE OF LOSS FACTORS

5.1. Updating table of loss category codes (Clause 21 Schedule 11.1)

Code reference

Clause 21 of 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

Processes for provision of loss factor information were checked. The loss category code table on the registry was examined.

Audit commentary

Loss factor codes are created and updated manually using the registry user interface.

EA Networks created one new loss factor code, M06, during the audit period and the registry was updated on time.

Audit outcome

Compliant

5.2. Updating loss factors (Clause 22 Schedule 11.1)

Code reference

Clause 22 of schedule 11.1

Code related audit information

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

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

Audit observation

Processes for provision of loss factor information were checked. The loss category code table on the registry was examined.

Audit commentary

Loss factor codes are updated manually using the registry user interface.

EA Networks updated the loss factors values for nine loss factor codes during the audit period. All were notified within the required timeframe.

There was only one loss factor per category code per month.

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

Clauses 11.8 and 25 of schedule 11.1

Code related audit information

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

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

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

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

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

If the distributor wishes to change the record in the registry of an ICP that is not recorded as being usually connected to an NSP in the distributor's network, so that the ICP is recorded as being usually connected to an NSP in the distributor's network (a "transfer"), the distributor must:

- *give written notice to the reconciliation manager,*
- *give written notice to the Authority,*
- *give written notice to each affected reconciliation participant,*
- *comply with schedule 11.2.*

Audit observation

The NSP table 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) of 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 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) of schedule 11.1

Code related audit information

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

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

Audit observation

The NSP table was examined.

Audit commentary

No new balancing areas were created during the audit period.

Audit outcome

Compliant

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

Code reference

Clause 26(4) of schedule 11.1

Code related audit information

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

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

the date on which the creation or transfer will take effect (clause 26(4)(c)).

Audit observation

The NSP table was examined.

Audit commentary

EA Networks is responsible for one embedded network, URK0111, which was created in 2008. EA Networks have not created any new embedded networks during the audit period.

Audit outcome

Compliant

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

Code reference

Clauses 24(2) and (3) of schedule 11.1

Code related audit information

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

Audit observation

Processes for provision of balancing area information were checked.

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 of schedule 11.1

Code related audit information

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

Audit observation

The NSP table was reviewed.

Audit commentary

No existing ICPs became NSPs during the audit period.

Audit outcome

Compliant

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

Code reference

Clauses 1 to 4 of schedule 11.2

Code related audit information

If the distributor wishes to transfer an ICP, the distributor must give written notice to the Authority in the prescribed form, no later than three business days before the transfer takes effect.

Audit observation

The NSP table and transfer notifications were reviewed.

Audit commentary

The Tenco embedded network TAC0011 which was embedded under an EA Networks NSP was decommissioned and all ten ICPs on the network were transferred to EA Networks on 1 June 2023. Tenco managed the notification processes on EA Networks behalf. Copies of all notifications were provided which confirmed they were in the prescribed form and within the required timeframe.

Audit outcome

Compliant

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

Code reference

Clauses 10.25(1) and 10.25(3)

Code related audit information

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

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

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

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

Audit observation

The NSP table and code exemption information was reviewed. Processes for provision of NSP metering information were checked.

Audit commentary

As discussed in **section 1.1**, exemption number 163 exempted EA Networks from provision of a metering installation at the point of connection for the URK0111 (Upper Rakia) embedded network until 31 May 2023. EA Networks arranged for a gateway metering installation to be installed which was completed on 4 April 2023. EA Networks was initially unable to upload the information to the RM Portal as they had not been assigned the role of an “embedded network owner”. This was corrected by the reconciliation manager on 13 May 2023 and the metering details were uploaded. Clause 10.25 (2) and (3) require the distributor to provide the metering details within five business days after creation of an NSP and within

20 business days of recertification of a metering installation. As this is neither a new NSP or a recertification of a metering installation I have concluded that the timeframes are not applicable in this case. EA Networks has met the requirement to ensure there is a metering installation in accordance with clause 10.25 (1) prior to the expiry of the exemption.

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)), and*
 - c) *no later than 20 business days after the data of certification of each metering installation, advise the reconciliation participant for the NSP of the certification expiry date (Clause 10.25(2)(c)).*

Audit observation

The NSP table and code exemption information was reviewed. Processes for provision of NSP metering information were checked.

Audit commentary

As discussed in **section 1.1**, exemption number 163 exempted EA Networks from provision of a metering installation at the point of connection for the URK0111 (Upper Rakia) embedded network until 31 May 2023. EA Networks arranged for a gateway metering installation to be installed which was completed on 4 April 2023. EA Networks was initially unable to upload the information to the RM Portal as they had not been assigned the role of an “embedded network owner”. This was corrected by the reconciliation manager on 13 May 2023 and the metering details were uploaded. Clause 10.25 (2) and (3) require the distributor to provide the metering details within five business days after creation of an NSP and within 20 business days of recertification of a metering installation. As this is neither a new NSP or a recertification of a metering installation I have concluded that the timeframes are not applicable in this case. EA Networks has met the requirement to ensure there is a metering installation in accordance with clause 10.25 (1) prior to the expiry of the exemption.

Audit outcome

Compliant

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

Code reference

Clause 29 of 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 table was reviewed.

Audit commentary

EA Networks has not acquired any networks. As discussed in **section 6.7**, ten ICPs transferred to EA Networks after the Tenco embedded network TAC0011 was decommissioned on 1 June 2023. As the embedded network was decommissioned there has been no change in network ownership.

Audit outcome

Compliant

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

Code reference

Clause 10.22(1)(b)

Code related audit information

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

Audit observation

The NSP table and code exemption information was reviewed.

Audit commentary

As discussed in **sections 1.1, 6.8 and 6.9**, following the expiry of exemption number 163, EA Networks is responsible for the provision of a metering installation at the point of connection for the URK0111 (Upper Rakia) embedded network. There have been no changes of MEP since the metering installation was installed on 4 April 2023.

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 of schedule 11.2

Code related audit information

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

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

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

Audit observation

The NSP table and transfer notifications were reviewed.

Audit commentary

The Tenco embedded network TAC0011 which was embedded under an EA Networks NSP was decommissioned and all ten ICPs on the network were transferred to EA Networks on 1 June 2023. Tenco managed the notification processes on EA Networks behalf. Copies of all notifications were provided which confirmed they were in the prescribed form and within the required timeframe. I checked all required consents were obtained by comparing the list of ICPs transferred against the consent's received from the affected traders and distributors. All required consents were obtained, and the consent information was communicated to the Authority in the prescribed format and on time.

Audit outcome

Compliant

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

Code reference

Clause 6 of schedule 11.2

Code related audit information

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

Audit observation

The NSP table and transfer notifications were reviewed.

Audit commentary

The Tenco embedded network TAC0011 which was embedded under an EA Networks NSP was decommissioned and all ten ICPs on the network were transferred to EA Networks on 1 June 2023. The ICP transfer included all ICPs on the embedded network.

Audit outcome

Compliant

7. MAINTENANCE OF SHARED UNMETERED LOAD

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

Code reference

Clause 11.14(2) and (4)

Code related audit information

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

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

Audit observation

The registry list was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

EA Networks does not allow any shared unmetered load connections on its network, and it does not have any existing shared unmetered load connections.

Audit outcome

Compliant

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

Code reference

Clause 11.14(5)

Code related audit information

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

Audit observation

The registry list was reviewed to identify any ICPs with shared unmetered load connected.

Audit commentary

EA Networks have no shared unmetered load connections on their network.

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

EA Networks 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.

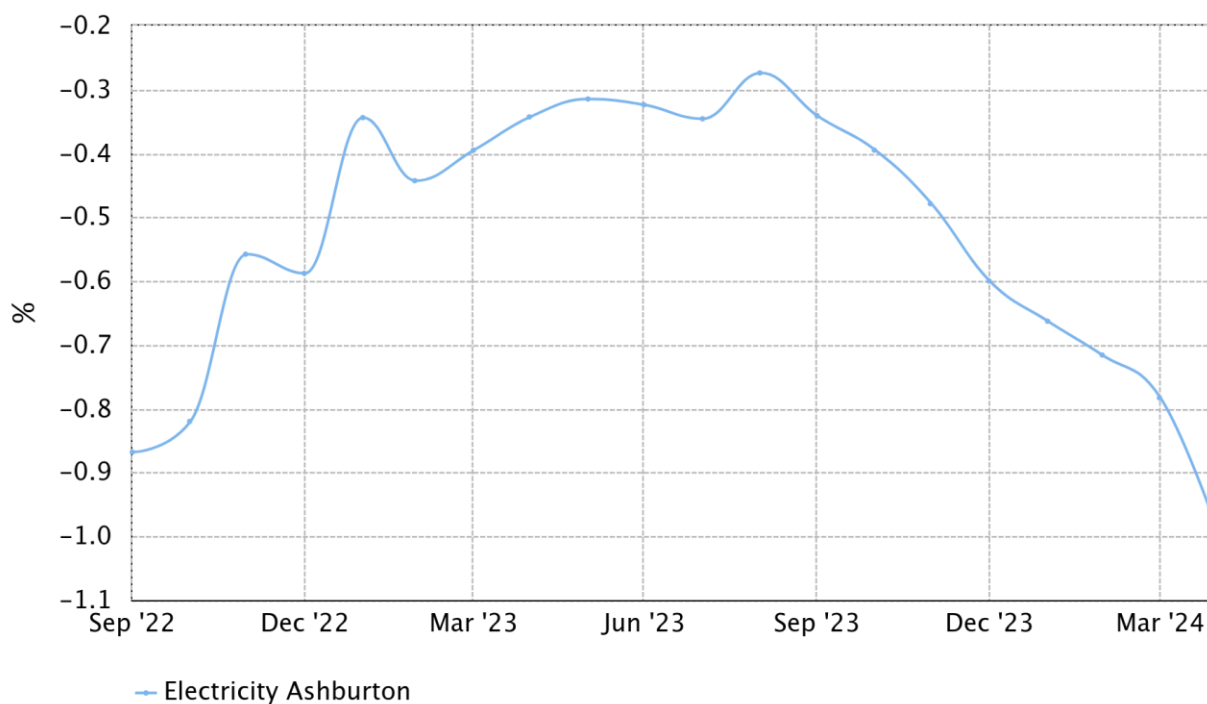
Audit commentary

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

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

A loss factor review is completed in November/December each year and is available for the 1 April price publication. I confirmed that the updated loss factors recorded on the registry were consistent with the revised loss factor calculations.

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



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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.

This is the first audit since a material change audit was conducted in May 2023 when EA Networks began using Salesforce to manage ICP information. This audit assessed compliance for the period since the last full audit was conducted in November 2022 so includes the period before and after the change to Salesforce. All commentary regarding processes in this report refers to the current state, post Salesforce implementation.

Whilst there were some initial issues which delayed some registry updates of initial electrical connection dates, the period since the Salesforce implementation has seen an improvement in accuracy and timeliness of registry information. EA Networks has improved its processes to identify data discrepancies and errors using Salesforce and most issues are corrected once found.

The audit found six 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 EA Networks' 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 audit process has identified and provided the opportunity to improve our compliance in the few areas where our new Salesforce system and related processes were not performing as expected. Our comments in relation to each of these areas are recorded in the body of the report.

We will continue our daily discrepancy checking and consider where system changes can support the reduction or removal of any further process issues may arise (if any).