

**ELECTRICITY INDUSTRY PARTICIPATION CODE  
DISTRIBUTOR AUDIT REPORT**



For

**FIRSTLIGHT NETWORK LIMITED  
NZBN 9429039629548**

Prepared by: Steve Woods, Veritek Limited

Date audit commenced: 17 July 2023

Date audit report completed: 6 August 2023

Audit report due date: 07-Aug-23

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## EXECUTIVE SUMMARY

This distributor audit was performed at the request of **Firstlight Network Limited (Firstlight)**, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11. The audit was carried out at Firstlight's premises in Gisborne on 17 July 2023.

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

Firstlight has undergone significant change during 2023, with a change of ownership, the implementation of a new system and the loss of key personnel. The system and personnel changes have led to a reduction in the validation and audit trail capability and to a reduction in compliance. I've made several recommendations regarding further development of the Axos system to improve validation and audit trails. Firstlight is currently operating duplicate systems to manage some processes and I recommend the following points are examined:

- the ability to attach documents to ICP records, such as new connection applications and living notifications, including the ability to send and receive ICP application documentation and notifications,
- the ability to record memos against ICPs so there is an audit trail of relevant events all in one place, and
- two additional date fields would be useful, a price code agreement date and an ICP request date.

The new connections process is still well resourced, and compliance was of a high standard. Other registry updating processes are not well resourced and some registry updates, for example distributed generation, have not been made since approximately 1 June 2023. Some specific issues were unable to be examined during the audit due to the key registry management resource having left Firstlight. I recommend more robust process documentation is developed and maintained to ensure this issue cannot occur in the future.

The audit identified six non-compliances and eight recommendations are made. Although the recommended next audit period is 12 months, I recommend a shorter period because some processes could not be checked in as much detail as normal and to ensure registry management processes are strengthened in as short a timeframe as possible. I recommend the next audit due date is set to 30 April 2023, which gives nine months.

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	11.2(1)	All ICPs created since 1 April 2023, have the dedicated flag set to “no” rather than “yes”.  Six missing electrical connection dates.  At least six incorrect event dates for IECDs  Distributed generation updates have not occurred since approximately 1 June 2023.	Moderate	Low	2	Identified
Requirement to correct errors	2.2	11.2(2) and 10.6(2)	IECD corrections from the previous audit not all conducted.  Registry not updated with distributed generation information since approximately 1 June 2023.	Moderate	Low	2	Identified
Provision of ICP Information to the registry manager	3.3	11.7	Six electrically connected ICPs with no initial electrical connection date populated at the time the audit analysis was conducted.	Weak	Low	3	Identified
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Late population of the initial electrical connection date for 25 (10%) of ICPs.	Strong	Low	1	Identified
Changes to registry information	4.1	8 Schedule 11.1	Some price, network, and status, changes were backdated.	Weak	Low	3	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
Provide ICP Information to the Registry manager	4.6	7(1)(m) & (p) Schedule 11.1	Distributed generation updates have not occurred since approximately 1 June 2023.  Six ICPs with missing initial electrical connection dates.  All ICPs since 1 April 2023 recorded as non-dedicated.	Moderate	Low	2	Identified
Future Risk Rating						13	

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	Description	Remedial action
Registry – Axos validation	2.1	Validate data in fields held in Axos against the registry at least weekly; and investigate and resolve any discrepancies.	Adopted
Data consistency	2.1	Review the registry AC020 audit compliance reports at least monthly to identify potentially inaccurate information which requires investigation and correction.	Adopted
Axos functionality	3.2	Create functionality in Axos to include an application received date.	Agreed to adopt
Axos functionality	3.2	Create functionality in Axos to include the ability to send new connection approval requests to traders.	Agreed to adopt
Axos functionality	3.2	Create functionality in Axos to include the ability to insert memos against ICPs.	Adopted
Axos functionality	3.2	Create functionality in Axos to include the ability to attach documents to ICP records.	Agreed to adopt
Axos functionality	4.1	Create a field for price category code agreement date.	Agreed to adopt

IECD accuracy	4.6	Confirm the correct IECD for ICP 0002710699EN18F.	For discussion next audit. 17/03/21 appears to be the correct date, because certification cannot occur without electrical connection and certification occurred on 17/03.21
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**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**

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

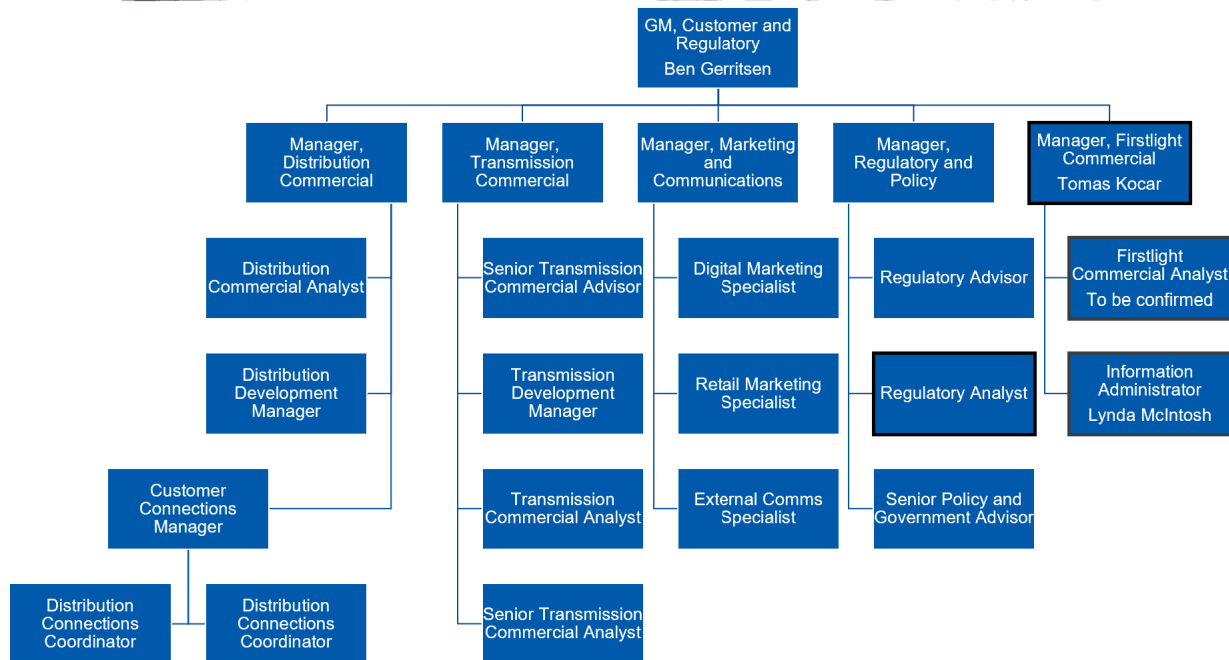


## 1.2. Structure of Organisation

Firstlight provided a copy of their organisation structure:



# Confirmed Customer and Regulatory Team



4 August 2023

Firstgas Group

### 1.3. Persons involved in this audit

Auditor:

**Steve Woods**

**Veritek Limited**

**Electricity Authority Approved Auditor**

Firstlight Networks personnel assisting in this audit were:

Name	Title
Tomas Kocar	Commercial Manager
Lynda McIntosh	Information Administrator

### 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

Firstlight provided a list of approved contractors. These are set out in **section 1.5**.

## 1.5. Supplier list

Firstlight provided a list of approved contractors, which is summarised below:

<b>Network Construction/Maintenance/Livening Agents</b>		
<b>Company</b>	<b>Location</b>	<b>Name</b>
AC Electrical Services Gisborne Ltd	Gisborne	Stu Blair
Apex Power Systems Ltd	Gisborne	Jason Collier
East Coast Power Lines	Wairoa	Corny Groen
Electrinet	Gisborne	Toby Pickering
Inline Construction Ltd	Gisborne	Aaron McKinnon
Power Connections Ltd	Gisborne	Glen McKinnon
Powerline Technologies Ltd	Gisborne	Steven Clark (Foxy)
ScanPower Ltd	Dannevirke	Dave Smith
Unison Contracting Services Ltd	Hastings	Mark Lawrie
<b>Inspectors</b>		
<b>Company</b>	<b>Location</b>	<b>Name</b>
ECIS Ltd	Gisborne	Jai Goodyear
Mark Gregory	Wairoa	Mark Gregory
AC Electrical Services Gisborne Ltd	Gisborne	Stu Blair

## 1.6. Hardware and Software

### **Registry and ICP information management – Axos**

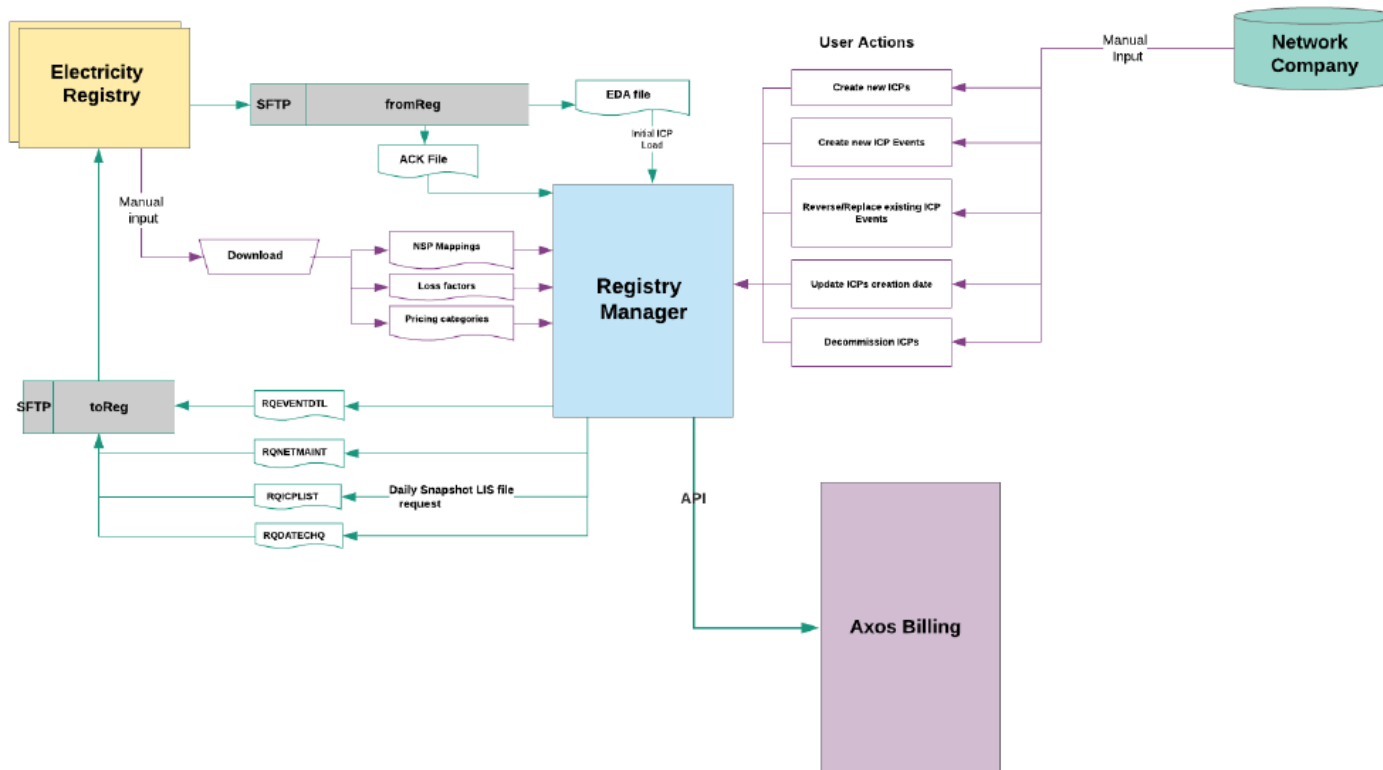
Firstlight began using Axos for registry and ICP information management from 1 April 2023. The Axos Systems – Security Measures, Backup and Retention document was provided.

Axos is cloud based, and access is restricted using logins and passwords. An audit trail of user actions is kept within Axos. Security arrangements are in place.

Data in the production database is held indefinitely. Axos backups are daily and retained for 35 days. Data restoration processes are automated and tested, and data can be restored as at a set point in time within the last 35 days. Axos confirmed that in the event of a disaster affecting the production system, it would be able to be replicated with Firstlight’s data restored within a maximum of six hours.

Firstlight provided the diagram below showing the integration of the Axos Registry Manager system with other systems and processes from the Axos System – Registry Manager Documentation v1.3:

## Registry Manager Workflow



Green arrows indicate automatic processes  
 Purple arrows indicate manual processes

## GIS – ESRI Maximo

Firstlight began using Maximo from 1 April 2023.

### Other systems

- files stored on the Egnyte server (Z:\) are maintained with versioning (the ability to rollback to previous files) on the cloud with two local copies of the files (as virtual appliances/servers) in Carnarvon St and Gladstone Rd,
- file and critical application servers at Firstlight are backed up on the hour with a backup copy synchronised with the Cloud DR solution every six hours, except database servers which are synced every hour, and
- with Disaster Recovery, there are dedicated backup appliances in Carnarvon St and Gladstone Rd which backs up the target servers which can be recovered virtually either locally (i.e., on the appliance or restored to the virtual infrastructure) and if both sites are lost, recovered within the DR Cloud service provider; local backups are stored for three months onsite while the Cloud backups are kept forever.

### 1.7. Breaches or Breach Allegations

The Electricity Authority confirmed that there have been no alleged breaches related to this audit scope for Firstlight for the audit period.

### 1.8. ICP and NSP Data

Firstlight has responsibility for the Firstlight local network, which has one NSP and one balancing area. There have been no changes during the audit period. The table below sets out the details.

Dist	NSP POC	Description	Parent POC	Parent Network	Balancing Area	Network type	Start date	No of ICPs
EAST	TUI1101	TUIA FOR EAST			TUI1101EASTG	G	1 April 2015	25,741

There are no embedded networks connected to the Firstlight network.

A list file detailing the ICP statuses was provided as of April 11<sup>th</sup> 2023

Status	Number of ICPs (2023)	Number of ICPs (2021)	Number of ICPs (2020)
New (999,0)	2	0	0
Ready (0,0)	29	37	32
Active (2,0)	25,924	25,708	25,741
Distributor (888,0)	0	0	0
Inactive – new connection in progress (1,12)	11	24	12
Inactive – electrically disconnected vacant property (1,4)	522	461	442
Inactive – electrically disconnected remotely by AMI meter (1,7)	111	101	82
Inactive – electrically disconnected at pole fuse (1,8)	32	30	14

Status	Number of ICPs (2023)	Number of ICPs (2021)	Number of ICPs (2020)
Inactive – electrically disconnected due to meter disconnected (1,9)	17	11	15
Inactive – electrically disconnected at meter box fuse (1,10)	3	4	4
Inactive – electrically disconnected at meter box switch (1,11)	2	4	4
Inactive – electrically disconnected ready for decommissioning (1,6)	1	9	5
Inactive – reconciled elsewhere (1,5)	0	163	0
Decommissioned (3)	4,236	4,071	3,931

### 1.9. Authorisation Received

Firstlight provided a letter of authorisation.

### 1.10. Scope of Audit

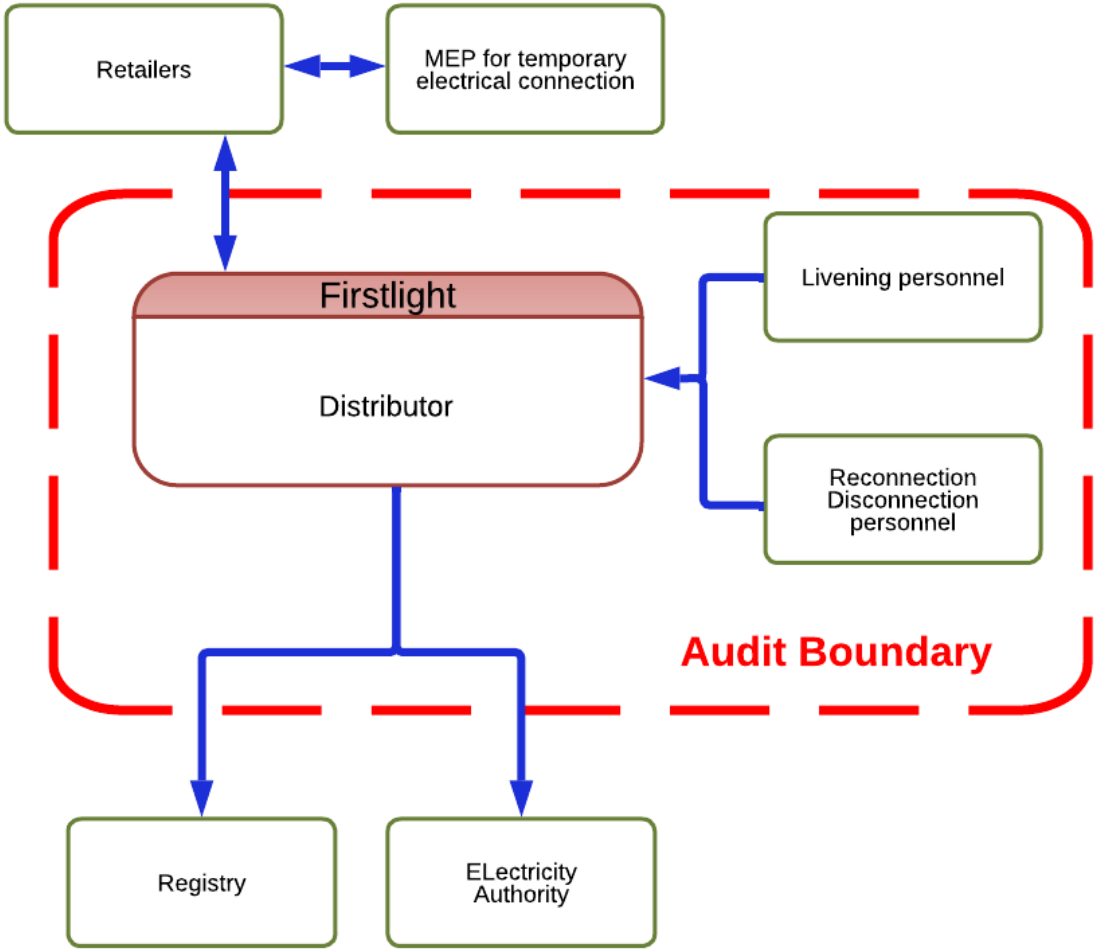
This distributor audit was performed at the request of Firstlight, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

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

The table below shows the tasks under clause 11.10(4) of Part 11, which Firstlight is responsible for. There are no other contractors 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**

The previous audit conducted in September 2021 by Rebecca Elliot of Veritek Limited was reviewed. That audit found nine non-compliances and made six recommendations. The current status of the non-compliances and recommendations are detailed in the table below:

**Table of non-compliance**

Subject	Section	Clause	Non-compliance	Status
Requirement to correct errors	2.2	11.2(2) and 10.6(2)	Corrections not actioned as soon as practicable.	Still existing
Provision of information on dispute resolution scheme	2.4	11.30A	Utilities disputes information not provided as required by the code.	Cleared

Subject	Section	Clause	Non-compliance	Status
Provision of ICP Information to the registry manager	3.3	11.7	Seven electrically connected ICPs with no initial electrical connection date populated.	Still existing
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	Late update to “ready” for three of 290 ICPs electrically connected during the audit period.	Cleared
Timeliness of Provision of Initial Electrical Connection Date	3.5	7(2A) of Schedule 11.1	Late population of the initial electrical connection date for some ICPs.	Still existing
Monitoring of “new” & “ready” statuses	3.14	15 Schedule 11.1	One ICP not decommissioned set up in error.	Cleared
Changes to registry information	4.1	8 Schedule 11.1	Some price, network, status, and address changes were backdated.	Still existing
ICP location address	4.4	2 Schedule 11.1	Four ICPs with duplicate addresses. 21 ICPs with a location address which is not readily locatable.	Cleared
Provide ICP Information to the Registry manager	4.6	7(1)(m) & (p) Schedule 11.1	One ICP with the incorrect initial electrical connection date. Seven ICPs with missing initial electrical connection dates.	Still existing

### Table of Recommendations

Subject	Section	Recommendation	Status
Removal or breakage of seals	2.3	Ensure all personnel engaged in load control device bridging are qualified to perform the bridging and sealing activities.	
		Prepare and maintain a training and competency schedule for all relevant personnel.	
		Ensure that re-sealing occurs when bridging activities are conducted by non-ATH approved personnel.	
		Ensure MEPs are notified as well as traders that bridging has occurred.	
ICP location address	4.4	Investigate populating GPS co-ordinates for the ICPs without readily locatable addresses recorded.	



Distributed generation	4.6	Outline to Solar installers that notification must be provided of inspection and testing results. Consider observing testing and inspection at the expense of distributed generators.	
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## 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

Firstlight's data management processes were examined. The list file as of 11 April 2023 and the combined registry compliance audit reports covering the period from 1 January 2022 to 11 April 2023 were examined to confirm compliance.

#### Audit commentary

Firstlight changed their registry and billing management system from Gentrack to Axos effective 1 April 2023. The following commentary is from the material change audit for the system implementation and explains the processes for ensuring information is complete and accurate.

#### User training

User training was provided prior to go-live, however one of the key personnel involved in registry management has left Firstlight and it is expected that when this position is filled, further training may be required.

Technical, user and testing documentation was available and was reviewed during the audit. A minor error was found, which was that the documentation didn't recognise that ICPs can be decommissioned from the "new" status if they were created in error. This has been resolved.

#### Registry synchronisation

Event attribute data is entered into Axos, instead of Gentrack, and transferred to the registry.

ICP status, address, network, and pricing information is maintained in Axos. Each event type has an event date field which can be populated by the user. If no event date is entered, the participant event importer which creates the ICP events will assume that the event relates to today's date if any of the event attributes differ from the most recent registry record.

Axos validates data on saving to ensure that it meets the registry's requirements for fields which are also held on the registry, and drop down boxes are used to restrict input values where practical. System controls over data consistency and completeness include:

- network and POC must be valid for Firstlight Network,
- reconciliation type must be valid for the distributor and ICP type,
- the proposed trader must be a valid participant identifier,
- generation capacity and fuel type can only be populated if the installation type is B or G,
- initial electrical connection dates cannot be future dated or prior to the ICP creation date,
- for addressing, it is mandatory to populate a value in the physical address town or physical address suburb field, and it is mandatory to populate a value in the physical address street or physical address property name, and

- if GPS northing or easting is populated, the other must also be populated.

The Axos file importer generates status, address, network, and pricing events which are sent to the registry via SFTP. Axos can also process event reversals and replacements. Replacements occur where a user changes an ICP attribute and makes the event date the same as a previous event. Reversals are processed by selecting the most recent event within the registry manager and clicking the reverse button.

When a new or replacement record is saved, or an existing record is reversed, it is added to the list to be synchronised to the registry during the next overnight refresh cycle. If the user selects the “up sync” button the update will be sent to the registry immediately. Until the event is synchronised to the registry it is possible to delete or amend it before it is processed.

Axos retrieves registry acknowledgement files every five minutes. The files are reviewed in the registry manager to identify successful and failed updates, and failed updates will be investigated and reprocessed. This process also identifies time outs, where files have been sent to the registry but no response has been received for investigation.

Registry events are updated in Axos daily using the “down sync” process, which captures and adds registry data updates within the last seven days. The “down sync” process requests a registry list snapshot report for all ICPs on the Firstlight Network. Once the snapshot is received, it is compared to the Axos records to determine whether the ICP is present and has ICP event records in Axos. If the ICP is present and has event records it will retrieve any events processed in the last seven days as an event detail report and update Axos with any events not already added. If the ICP is not present and/or does not have ICP event records in Axos a full historic event detail report for the ICP which will be loaded into Axos. It is very unlikely that any ICPs will not have records in Axos, because Firstlight intends to create all ICPs and process all updates from Axos.

### **Registry and data validation**

The registry synchronisation process will ensure that Axos and the registry’s records are consistent most of the time. Any unsynchronised or failed updates will be identified, investigated, and resolved.

Axos does not have an event completeness check, and Axos recommends that Firstlight manages validation of Axos data against the registry using a data warehouse. A business case is currently being prepared for a data warehouse.

Axos can produce a report of ICP events recorded within its Registry Manager which is in the same format as the registry list file produced by the electricity registry. This report can be used to validate Axos information against registry information. Firstlight is currently developing a process to compare these reports.

Firstlight also intends to complete the following validations:

- daily manual review of notification files to identify ICPs which have been updated to PV1 profile; these will be checked against distributed generation, certification, and inspection records to determine whether distributed generation has been installed and Axos and the registry will be updated as necessary,
- daily checks for ICPs at “active” status with no initial electrical connection date will continue to be run by the information team; the information required to do this is available by reviewing notification files, a registry list or an Axos ICP event report which contains the same information as the registry list, and
- ICPs at “inactive - ready for decommissioning”, “new” or “ready” status will be identified for follow up using the ICP current status filter in Axos; a registry list report can be used to identify how long the affected ICPs have been at the status.

In addition to the planned checks, the material change audit recommended that the registry’s AC020 trader compliance report is reviewed to identify potential data discrepancies between registry fields for

investigation and correction. Given the departure of the key registry management resource, I have left in the recommendations below along with Firstlight’s response to ensure these validations are adopted by the new resource.

Recommendation	Description	Audited party comment	Remedial action
Registry – Axos validation	Validate data in fields held in Axos against the registry at least weekly; and investigate and resolve any discrepancies.	LIS & EDA files will be imported daily. Variances will be checked and investigated daily.	Adopted
Data consistency	Review the registry AC020 audit compliance reports at least monthly to identify potentially inaccurate information which requires investigation and correction.	Report to be incorporated into assurance checks and run weekly to ensure data accuracy after the system change.	Adopted

The following issues were identified during the audit.

- All ICPs created since 1 April 2023 have the dedicated flag set to “no” rather than “yes”.
- As recorded in **section 3.3**, six ICPs had missing initial electrical connection dates and three of these were present during the previous audit. All six had incorrect effective dates. The registry records an “effective” date, however when reports are run these are called “event” dates but have the same meaning. The registry functional specification defines an event date as: *“The Event Date defines the date from which the attribute values of the event should apply”*. Which confirms the IECD event date should be the same as the IECD. Firstlight confirmed there will be other ICPs with incorrect event dates, because this field was not changed in Axos when updates were made. Axos defaults to the date of data entry.
- Distributed generation updates have not occurred since approximately 1 June 2023.

### Audit outcome

Non-compliant

Non-compliance	Description
<p>Audit Ref: 2.1 With: Clause 11.2(1)</p> <p>From: 01-Jan-22 To: 22-Jul-23</p>	<p>All ICPs created since 1 April 2023, have the dedicated flag set to “no” rather than “yes”.</p> <p>Six missing electrical connection dates.</p> <p>At least six incorrect event dates for IECDs.</p> <p>Distributed generation updates have not occurred since approximately 1 June 2023.</p> <p>Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2</p>

Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.</p> <p>The impact on settlement and participants is minor; therefore the audit risk rating is low.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
All active ICPs with non-dedicated NSP changed to dedicated.		18/7/2023	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Tenco compliance monitoring implemented and Lynda McIntosh received training to action any DG, IECD and Decommissioning queries.		31/07/2023	

## 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

Firstlight's data management processes were examined. The list file as of 11 April 2023 and the combined registry compliance audit reports covering the period from 1 January 2022 to 11 April 2023 were examined to confirm compliance.

### Audit commentary

**Section 2.1** describes the validation and correction processes. The audit identified that some registry updates have not been occurring since the key registry management resource left Firstlight. I've recorded non-compliance for this along with non-compliance for some registry corrections not occurring following the previous audit.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.2 With: Clause 11.2(2) and 10.6(2)  From: 01-Jan-22 To: 22-Jul-23	IECD corrections from the previous audit not all conducted.  Registry not updated with distributed generation information since approximately 1 June 2023.  Potential impact: Low Actual impact: Low Audit history: Once Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as moderate because they mitigate risk most of the time but there is room for improvement.  The impact on settlement and participants is minor; therefore the audit risk rating is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
DG updates in progress		31/8/2023	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Tenco preparing DG reporting on a regular basis and Linda McIntosh training to cover the follow ups.		31/7/2023	

### 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

The PR-255 file was examined to determine whether load control devices existed on the network. The management of removal and breakage of seals was discussed.

### Audit commentary

Firstlight may remove or break a seal to bridge load control switches after hours as a result of direct contact from a customer. The trader is notified the next day of the bridging. Whilst no examples of these types of jobs were identified during the audit, the previous audit recommend Firstlight take the following steps to ensure future compliance:

1. Ensure all personnel engaged in load control device bridging are qualified to perform the bridging and sealing activities.
2. Prepare and maintain a training and competency schedule for all relevant personnel.
3. Ensure that re-sealing occurs when bridging activities are conducted by non-ATH approved personnel.
4. Ensure MEPs are notified as well as traders that bridging has occurred.

Firstlight adopted these recommendations.

### 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 Firstlight to determine compliance. The Firstlight website was checked, correspondence to consumers was provided by Firstlight and the phone messaging was examined.

### Audit commentary

Examination of customer facing communications found Utilities disputes information:

- is evident on the website,
- is provided in email signatures,
- is provided as part of inbound customer calls, and
- is included on outbound correspondence to customers.

### 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**. A diverse characteristics sample of 20 new connection applications of the 302 created since January 2022 were checked from the point of application through to when the ICPS were created. There were no new ICPS electrically connected with distributed generation associated so there were none to be examined. Firstlight does not allow unmetered load connections on their network, apart from streetlights connected to existing circuits, and has no embedded networks connected to their network.

##### Audit commentary

Firstlight creates ICPS as required by clause 1 of schedule 11.1.

Firstlight creates an ICP and enters the ICP's attributes into Axos. Address, network, and pricing events are transferred to the registry once the minimum information required to create the ICP is saved and 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 Axos 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 will be updated to "ready" status on the registry once the information required is added into Axos and synchronised with the registry. Axos updates the ICP status in its database to match the registry through its acknowledgement process.

##### 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 302 created since January 2022 were checked to determine whether the ICPs had been created within three business days of a request by a trader. There were no new ICPs electrically connected with distributed generation associated so there were none to be examined.

### Audit commentary

For all new connections an “engineering review” is completed prior to the application for an ICP. The application for service form (AFS) is normally completed by the electrician and includes the nominated trader. This is provided to one of Firstlight’s approved contractors, who approves the application from an engineering perspective, and then submits it to Firstlight for the final approval and the creation of an ICP.

The date the AFS is submitted to Firstlight used to be entered into Gentrack as the “received date”; the ICP was then created and provided to the retailer by email. Axos does not have a “received date” field, therefore this date is populated into an access database, which is used for the management of new connections workflow. The access database is also used for sending new connection notifications to traders. The use of the access database results in duplication of data entry and effort. I recommend Firstlight requires Axos to create this functionality in the Axos system. Gentrack had the ability to populate memos against ICPs, which Axos does not have. I also recommend this ability is created, and that it allows documents to be attached, which are currently in a separate directory called “property files”.

Description	Recommendation	Audited party comment	Remedial action
Axos functionality	Create functionality in Axos to include an application received date.	Will engage Axos to add the functionality to Registry Manager.	Agreement to adopt

Description	Recommendation	Audited party comment	Remedial action
Axos functionality	Create functionality in Axos to include the ability to send new connection approval requests to traders.	Will engage Axos to add the functionality to Registry Manager.	Agreement to adopt

Description	Recommendation	Audited party comment	Remedial action
Axos functionality	Create functionality in Axos to include the ability to insert memos against ICPs.	Memo text box now added to Axos.	Adopted

Description	Recommendation	Audited party comment	Remedial action
Axos functionality	Create functionality in Axos to include the ability to attach documents to ICP records.	Documents may not be able to attach but memo box can hold a path to a location in W:\Network\ENL Property File System	Agreement to adopt

There is a blanket acceptance in place with traders and if a trader rejects the ICP then it is moved back to the “new” status until a trader accepts responsibility. If the nomination is rejected by the trader, Firstlight contacts the customer to request they nominate a new trader.

The sample checked confirmed that all were created within three days of the request.

**Audit outcome**

Compliant

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

**Code reference**

Clause 11.7

**Code related audit information**

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

**Audit observation**

The new connection process was examined in detail and is described in **section 3.2**. The list file was checked and a diverse characteristics sample of 20 new connection applications of the 302 created since January 2022 were checked from the point of application through to when the ICPs were created to confirm the process and controls worked in practice.

**Audit commentary**

ICPs are created in Axos, and the user is able to populate 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**. Axos does not allow reversal of the first event providing ICP information to the registry, but the record can be replaced if necessary.

Information was provided as required by this clause for all ICPs created during the audit period, except for six electrically connected ICPs with no initial electrical connection dates recorded. The details of these are shown in the table below.

ICP	Active date	IECD	Present last audit	Comments
0009076035WW4B2	26 September 2019	16 November 2017	Yes	The IECD was populated on 13 December 2017 but was reversed on 26 January 2018. It has now been re-instated. The date is different to the active date and the certification date, but there are no documents to support any of the dates, therefore I cannot confirm which date is correct.
0099041042WW7B5	5 December 2019	5 December 2019	Yes	The IECD was populated on 6 December 2019 but was reversed on 15 January 2020. It has not been re-instated.
0000420325EN5CC	17 June 2021	17 June 2021	Yes	The IECD was not populated until 19 May 2023.

0003501356ENB9B	11 November 2021	11 November 2021	No	The IECD was not populated until 19 May 2023.
0000390615ENC33	11 November 2021	11 November 2021	No	The IECD was not populated until 19 May 2023.
0009076034WW8F7	29 October 2021	29 October 2121	No	The IECD was not populated until 19 May 2023.

All of the recently populated IECDs have the incorrect effective date of the date the registry was populated. The effective date should be the same as the IECD. This is recorded as non-compliance in **section 2.1**.

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.3 With: Clause 11.7  From: 01-Jan-22 To: 19-May-23	Six electrically connected ICPs with no initial electrical connection date populated at the time the audit analysis was conducted.  Potential impact: Low  Actual impact: Low  Audit history: Once  Controls: Weak  Breach risk rating: 3		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	The controls are recorded as weak because three of the examples were present during the last audit, and whilst there is reporting available to identify these missing fields, it appears they were not actioned.  There were only six initial electrical connection dates missing. The impact on participants is minor because this field is used to validate other fields against.		
Actions taken to resolve the issue		Completion date	Remedial action status
IECD dates now followed up on.		28/7/2023	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Tenco helping monitor ICP compliance in a temporary contract.		31/07/2023	

### 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 registry list for 11 April 2023 and the combined registry compliance audit reports covering the period from 1 January 2022 to 11 April 2023 were examined to determine the timeliness of the provision of ICP information for new connections.

#### Audit commentary

The process is described in **section 3.3**. The event detail report identified that 302 new ICPs were created and electrically connected. The audit compliance reports confirmed all ICPs were created and the registry updated prior to electrical connection.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 7(2A) of Schedule 11.1*

#### Code related audit information

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

#### Audit observation

The new connection process was examined.

The registry list for 11 April 2023 and the combined registry compliance audit reports covering the period from 1 January 2022 to 11 April 2023 were examined to determine the timeliness of the provision of the initial electrical connection date. A diverse characteristics sample of 25 late updates were examined.

#### Audit commentary

Firstlight has a daily report identifying any ICPs with an “active” date and no initial electrical connection date recorded. The process is for Firstlight to send an email to the liveness agents requesting that the paperwork be submitted. The energy safety site where electrical connections are recorded is also monitored and this date is used in lieu of the paperwork. However, despite these efforts, paperwork is sometimes late from the field, and as recorded in **section 3.3**, some IECDs were blank for a long period.

There were 255 initial electrical connection date updates in the event detail report. The audit compliance report identified 25 (10%) late updates. All late updates were checked, and I found the following issues.

Reason for late update	Quantity
System issue with registry population out of Gentrack	2
Late information from the field	13
Investigation required to determine the correct date	2
Christmas shutdown meaning no updates were conducted between 23 December 2021 and 17 January 2022	8

### Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1  From: 01-Jan-22 To: 11-Apr-23	Late population of the initial electrical connection date for 25 (10%) of ICPs. Potential impact: Low Actual impact: Low Audit history: Multiple times previously Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
<b>Low</b>	Controls are rated as strong, as they are sufficient to ensure that the timeliness of initial electrical connection dates are at an acceptable level. Firstlight intends to have coverage for the Christmas period this year.  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
			Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Christmas shutdown will not apply to ICP administration function.			

### 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 **section 3.2**.

The registry list for 11 April 2023 and the combined registry compliance audit reports covering the period from 1 January 2022 to 11 April 2023 were examined to determine the timeliness of the provision of ICP information for new connections.

#### **Audit commentary**

The process remains unchanged during the audit period, traders engage agents who are approved to work on Firstlight's network to conduct electrical connection activities. Firstlight does not conduct electrical connection; however, the design of the new connections process includes a step where the trader accepts responsibility in accordance with this clause. Firstlight network creates all ICPs at "ready" with a proposed trader. All ICPs were recorded in the registry with a nominated trader populated.

#### **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 **section 3.2**. A diverse characteristics sample of 20 new connection applications of the 302 created since January 2022 identified from the list file were checked to determine if the ICPs were connected at the request of the trader.

#### **Audit commentary**

Firstlight creates all new ICPs at "ready" and all have a trader who has accepted responsibility for the ICP as confirmed by examination of the list file.

#### **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 **section 3.2**. The registry compliance audit report for 1 January 2022 to 11 April 2023 was examined.

#### Audit commentary

Firstlight's 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. No ICPs had a meter certification date earlier than that of the first active and the initial electrical connection date. Firstlight also confirmed there was no temporary electrical connection conducted during the audit period.

#### Audit outcome

Compliant

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

#### Code reference

Clause 10.30

#### Code related audit information

*A distributor must not connect an NSP on its network that is not a point of connection to the grid unless requested to do so by the 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

No new NSPs were created by Firstlight 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 created by Firstlight during the audit period.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 1(1) Schedule 11.1*

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

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

*yyyyyyyyyyxxccc where:*

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

#### **Audit observation**

The process for the creation of ICPs was examined.

#### **Audit commentary**

ICP numbers are created in Axos. The process for the creation of ICPs was examined, and all ICPs are created in the appropriate format.

#### **Audit outcome**

Compliant



### 3.12. Loss category (Clause 6 Schedule 11.1)

#### Code reference

Clause 6 Schedule 11.1

#### Code related audit information

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

#### Audit observation

The list file 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.

#### Audit outcome

Compliant

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

#### Code reference

Clause 13 Schedule 11.1

#### Code related audit information

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

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

#### Audit observation

The ICP creation process was reviewed. The event detail file and registry list were examined to determine compliance.

#### Audit commentary

Firstlight creates all ICPs at “ready”, unless they know a network extension is needed. If a trader rejects the ICP then it is moved back to the “new” status until a trader accepts responsibility.

There were two ICPs at the “new” status, which have both now been claimed by a trader.

#### Audit outcome

Compliant

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

#### Code reference

Clause 15 Schedule 11.1

#### Code related audit information

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

- the distributor must ask the trader who intends to trade at the ICP whether the ICP should continue to have that status (Clause 15(2)(a) of Schedule 11.1)

- *the distributor must decommission the ICP if the trader advises that the ICP should not continue to have that status (Clause 15(2)(b) of Schedule 11.1).*

#### **Audit observation**

The process to monitor ICPs at “new” and “ready” status was reviewed. The registry compliance audit report covering the period from 1 January 2022 to 11 April 2023 was examined to identify any ICPs that had been at “new” and “ready” for more than 24 months.

#### **Audit commentary**

ICPs at “new” and “ready” status can be identified using a current ICP status filter on the Axos registry manager landing page. A registry list report can be used to identify how long the affected ICPs have been at the status. Firstlight intends to use this to identify ICPs at “new” and “ready” status each month and follow up any ICPs at the status for more than six months with the proposed trader.

There were no ICPs at the “new” status and one ICP at the “ready” status for greater than 24 months. ICP 0001820365EN31E is still being investigated, and the trader has been contacted. It’s likely it will be decommissioned.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 7(6) Schedule 11.1*

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

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

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

#### **Audit observation**

The list file as of 11 April 2023 was examined.

#### **Audit commentary**

Firstlight does not supply any embedded generation stations with a capacity of 10 MW or more.

#### **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**

Sub-clause (4) states that no participant may electrically connect a point of connection without the permission of the Reconciliation Participant. The electrical connection of streetlight circuits which are a point of connection was examined.

#### **Audit commentary**

New streetlight connections to existing circuits are allowed to be unmetered connections. For all new streetlight connections, the new connection process is expected to be followed with an AFS application being submitted by the council. A notification is then sent to the nominated trader, but it was not clear if an approval is being received from all traders in relation to these where the lights are being added to an existing streetlight ICP. Firstlight are investigating this to confirm that these are being received before streetlights are electrically connected. I found no evidence of streetlight connections being connected without trader approval being gained.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 10.30C and 10.31C*

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

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

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

#### **Audit observation**

The disconnection process was examined.

#### **Audit commentary**

Firstlight will only undertake an electrical disconnection when a request is received from a trader, or for safety. In both instances Firstlight will liaise with the relevant 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**

Firstlight do not bridge meters on their network. This work is completed by an MEP's authorised agent on behalf of a trader.

**Audit outcome**

Compliant

## 4. MAINTENANCE OF REGISTRY INFORMATION

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

#### Code reference

*Clause 8 Schedule 11.1*

#### Code related audit information

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

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

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

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

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

#### Audit observation

The management of registry updates was reviewed.

The registry list for 11 April 2023 and the registry compliance audit report covering the period from 1 January 2022 to 11 April 2023 were examined. A diverse sample of a minimum of ten (or all if there were less than ten examples) backdated events by event type were reviewed to determine the reasons for the late updates.

No NSP changes were made as Firstlight has only one NSP.

#### Audit commentary

The user selects the event type which requires update in Axos, and the screen is automatically populated with the existing values for each field in Axos and today's event date. The user modifies the event and event date information as required. Future event dates are not allowed and drop down lists and field validations are set to help to ensure only valid values are entered. Once saved, the changes will be synchronised to the registry during the next scheduled overnight synchronisation, or immediately by selecting "up sync".

Axos retrieves registry acknowledgement files every five minutes. The files are reviewed in the registry manager to identify successful and failed updates. Failed updates appear as synchronisation status alerts on the landing page in Axos, and will be investigated.

If an event needs to be changed, it can be deleted before the record is synchronised with the registry, otherwise Axos allows event reversals and replacements to be sent. Events can only be reversed if they are the latest event for that event type.

Registry events processed by other parties are updated in Axos daily. A daily synchronisation captures registry data updates within the last seven days. Axos does not use notification files.

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

Update	Date	Late	% Compliant	Average days
Address	2020	2	97.26%	N/A
	2021	2	98.48%	0.06
	<b>2023</b>	<b>0</b>	<b>100%</b>	<b>0.14</b>
Status	2020	31	33.33%	12.88
	2021	97	24.11%	6.84
	<b>2023</b>	<b>208</b>	<b>19</b>	<b>8.8%</b>
Network (excl. new connection & Distributed Generation)	2020	38	N/A	N/A
	2021	210	N/A	N/A
	<b>2023</b>	<b>6</b>	<b>N/A</b>	<b>N/A</b>
Distributed Generation	2020	58	1.69%	25.37
	2021	97	7.50%	23.09
	<b>2023</b>	<b>82</b>	<b>13.7</b>	<b>24.18</b>

NSP changes were not examined as Firstlight has only one NSP.

#### Address events

There were no late address updates.

#### Pricing events

Firstlight continue to backdate pricing events, but only if it is found that the customer has been billed incorrectly. This meets the requirement to provide correct and accurate information but does cause non-compliance for the late updating of the registry in these instances.

The code was changed on 30 November 2021. From this date distributors can backdate price code changes more than three days from the event date if agreed with the trader. These updates must be made within three days from the date the change is agreed with the trader.

I selected 20 backdated updates out of 316 recorded in the audit compliance report for Firstlight to identify the date of agreement. As mentioned in the executive summary, staffing changes have recently occurred and the relevant information regarding agreement dates was not able to be provided for the audit. Also, as mentioned in **section 3.2**, Axos does not have a memo capability or the ability to attach documents. I've recommended this capability is developed. I also recommend a field is created to record the data of agreement with the trader, for audit purposes.

Description	Recommendation	Audited party comment	Remedial action
Axos functionality	Create a field for price category code agreement date.	Will request this change with Axos.	Agreed to adopt

### Status events

Status updates to “new” and “ready” are created by the registry once the information required to achieve the status has been populated. ICPs can be reversed from “ready” to “new” status by removing the distributor pricing information in Axos and the update being synchronised with the registry. The “new” and “ready” status information is imported back into Axos through the registry synchronisation process. ICPs can be moved to “distributor” or “decommissioned” statuses according to the general registry event update process, where the change is processed in Axos and then synchronised with the registry.

208 of 228 updates to decommissioning were late. As mentioned above, recent staffing changes mean some information was not available, including reasons for late updates to decommissioning. 156 of the late updates were for Gisborne distributed unmetered load ICPs.

### Network events

The network events evaluated excluded those relating to the population of the initial electrical connection dates (discussed in **section 3.5**), and the initial network events relating to the creation of ICPs.

The network event compliance report was examined and found six genuine late network updates. Four were changes to the proposed trader and two were corrections of the IECED.

### Distributed Generation

The distributed generation process is described in **section 4.6**. 82 of 95 distributed generation updates to existing ICPs were late, with 13.7% of all updates sent to the registry within the required timeframe. Reasons for late updates were not able to be provided. It was also confirmed that no updates have occurred since approximately 1 June 2023.

The backdating of events to the registry is recorded as non-compliance.

### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.1 With: Clause 8 Schedule 11.1 From: 01-Jan-22 To: 11-Apr-23	Some price, network and status changes were backdated. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Weak Breach risk rating: 3
Audit risk rating	Rationale for audit risk rating

<b>Low</b>	At the time of the audit the controls were weak, because updates were not being conducted for some fields due to key personnel having left the company. The audit risk rating is low as the updates have little to no impact on reconciliation.		
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>	<b>Remedial action status</b>
			Choose an item.
<b>Preventative actions taken to ensure no further issues will occur</b>		<b>Completion date</b>	
Lynda M and Tomas K received additional training to ensure coverage.		27/07/2023	

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

##### Code reference

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

##### Code related audit information

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

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

##### Audit observation

The process to determine the correct NSP was examined. The registry list and event detail report were reviewed to determine compliance.

##### Audit commentary

There is no uncertainty regarding NSP and ICP relationships on Firstlight's network, as there is only one NSP and one balancing area. The NSP for each ICP is notified to the registry as part of the new connections process.

##### 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**

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

### **Audit outcome**

Compliant

## **4.4. ICP location address (Clause 2 Schedule 11.1)**

### **Code reference**

*Clause 2 Schedule 11.1*

### **Code related audit information**

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

### **Audit observation**

The process to determine correct and unique addresses was examined. The registry list was reviewed to determine compliance for all active ICPs.

### **Audit commentary**

Axos uses a combination of NZ Post, LINZ, and Statistics NZ information in its address search function. The user begins typing an address and Axos looks up to the linked information and the user can select the valid address. If the address cannot be found the details are manually populated.

Axos system controls prevent duplicate addresses from being entered, an error message is produced if a user attempts to create an ICP with an address that matches an existing ICP. It is mandatory to populate a value in the physical address town or physical address suburb field, and it is mandatory to populate a value in the physical address street or physical address property name. If GPS northing or easting is populated, the other must also be populated.

One ICP was identified with a duplicate address. ICP 0009909102WWB40 used to be recorded as 20B Mitchell Rd, but the "B" was removed on 24 February 2023 for an unknown reason. This address was corrected prior to the site audit.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 3 Schedule 11.1*

### **Code related audit information**

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

### **Audit observation**

The management of this process was discussed.

### **Audit commentary**

For new connections, this clause is well understood and there are no shared service mains on the Firstlight network. The new connection process includes a step where the isolation point is identified as part of the application.

#### **Audit outcome**

Compliant

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

#### **Code reference**

Clause 7(1) Schedule 11.1

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

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

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

- (i) the annual capacity value recorded in the registry field for the chargeable capacity; and*
- (ii) either the term "POA" or all other capacity values, recorded in the registry field in which the distributor installation details are also recorded*
- *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 one 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 as of 11 April 2023 and the audit compliance reports for the audit period from 1 January 2022 to 11 April 2023 were reviewed to determine compliance. A sample using typical characteristics of data discrepancies were checked.

### **Audit commentary**

ICP status, address, network, and pricing information is maintained in Axos, along with the event date that each combination of event attributes applied from. Axos validates data on saving to ensure that it meet's the registry's requirements for fields which are also held on the registry, and drop down boxes are used to restrict input values where practical. These validations are discussed further in **section 2.1**.

The Axos file importer generates status, address, network, and pricing events which are sent to the registry via SFTP. Axos can also process event reversals of the most recent event, and replacements.

When a new or replacement record is saved, or an existing record is reversed, it is added to the list to be synchronised to the registry during the next overnight refresh cycle. If the user selects the "up sync" button the update will be sent to the registry immediately. Until the event is synchronised to the registry it is possible to delete or amend it before it is processed.

Axos retrieves registry acknowledgement files every five minutes. The files are reviewed in the registry manager to identify successful and failed updates, and failed updates are expected to be investigated and reprocessed. This process also identifies time outs for investigation, where files have been sent to the registry, but no response has been received.

### **Distributed generation**

Once generation is confirmed to have been installed and the correct details are confirmed by checking the application, installation certificates and records of inspection, Axos will be updated, and the new network attributes will be transferred to the registry through the synchronisation process. Distributed generation updates have not occurred since approximately 1 June 2023.

Distributed Generators must apply to Firstlight for approval to connect distributed generation. The work is then completed, and the distributed generator is required to provide Firstlight with inspection and certification records to confirm that generation is installed and compliant. Previous audits recorded that there were sometimes delays in providing this notification and paperwork. To help identify late notice of installation, Firstlight will continue to review EIEP submissions from traders for I flow volumes and manually check notification files for profile changes to PV1. Where one of these checks indicate generation is present but none is recorded, Firstlight checks the high risk database to confirm the capacity and fuel type and follows up with the installer.

Firstlight plans to review its distributed generation connection and operation standard later this year.

I followed up the previous audit recommendations to improve distributed generation processes:

Recommendation	Outcome
Outline to Solar installers that notification must be provided of inspection and testing results.	Solar installers have been reminded of their obligations under Firstlight’s connection standard and the Code requirements. Firstlight’s Engineers follow up installers if paperwork is not received. Firstlight advised that these changes have improved the timeliness of distributed generation updates from the field
Consider observing testing and inspection at the expense of distributed generators.	Due to current resource constraints, there are no plans to have onsite observations for testing.

Examination of the list file found 514 ICPs with generation capacity recorded. All had an installation type of “B” or “G” and the fuel type and generation capacity recorded.

The audit compliance report identified one active ICP where the trader’s profile indicates distributed generation is present and Firstlight have none recorded. The ICP is 0000490871EN1C9 and the trader confirmed distributed generation is not present, but they have recorded the PV1 profile to match the meter configuration. It is not clear whether the trader’s practice is compliant or not.

**Unmetered load**

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

Once Firstlight receives confirmation of correct unmetered load details Axos will be updated, and the new network attributes will be transferred to the registry through the synchronisation process. Unmetered new connections follow the same application process as metered new connections.

**Initial electrical connection date**

Firstlight does not perform initial electrical connections; traders engage approved agents to connect new ICPs. Once Firstlight receives confirmation of the correct initial electrical connection date Axos is updated, and the new network attributes are be transferred to the registry through the synchronisation process. Axos does not allow initial electrical connection dates which are future dated or prior to the ICP creation date.

Daily checks for ICPs at “active” status with no initial electrical connection date will continue to be run by the information team. The information required to do this is available by reviewing notification files, a registry list, or an Axos ICP event report which contains the same information as the registry list. Any ICPs which have been moved to “active” status without an initial electrical connection date will be investigated

by searching for paperwork, checking for information on the electricity and gas high risk database and following up with the living agent.

I re-checked incorrect initial electrical connection dates identified during the last audit and found they had been corrected apart from ICP 0002710699EN18F which was allegedly temporarily electrically connected to certify the meter on 17 March 2021, and then connected again from 19 March 2021. Firstlight has recorded the initial electrical connection date as 19 March 2021 based on paperwork returned from the approved contractor. Firstlight will provide their connection paperwork to the MEP, and ask them to investigate and provide evidence if they believe Firstlight’s initial electrical connection date is incorrect. If Firstlight’s date is confirmed to be incorrect, they will update Axos and the registry.

Description	Recommendation	Audited party comment	Remedial action
IECD accuracy	Confirm the correct IECD for ICP 0002710699EN18F.	Follow up on ICP 0002710699EN18F IECD date completed and date confirmed with Electrinet to be 19/3/2023.	For discussion next audit. 17/03/21 appears to be the correct date, because certification cannot occur without electrical connection and certification occurred on 17/03.21

The audit compliance reporting identified 10 ICPs where the IECD was different to either the active date or the certification date or both. In all cases, Firstlight was able to provide evidence their date was correct.

Six ICPs were identified with a blank IECD, as recorded in sections 2.1 and 3.3. Three of these were present during the last audit.

The audit compliance reporting found no ICPs at the “ready” status with an initial electrical connection date recorded.

#### Dedicated field

Axos has a checkbox for the dedicated field, which has not been “checked” since Axos was implemented, meaning all ICPs are recorded as not dedicated. Whilst this has no impact, the field should show as “dedicated” because there is only one GXP.

#### Audit outcome

Non-compliant

Non-compliance	Description
Audit Ref: 4.6 With: Clause 7(1)(m) & (p) Schedule 11.1  From: 01-Jan-22 To: 11-Apr-23	Distributed generation updates have not occurred since approximately 1 June 2023. Six ICPs with missing initial electrical connection dates. All ICPs since 1 April 2023 recorded as non-dedicated. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2
<b>Audit risk rating</b>	<b>Rationale for audit risk rating</b>

<b>Low</b>	The controls are rated as moderate because there is room to improve the resourcing of some functions and the monitoring of discrepancy reports to ensure data accuracy.  The audit risk rating is recorded as low as the overall number of variances is low.	
<b>Actions taken to resolve the issue</b>		<b>Completion date</b>
DG updates are now being followed up on.		Choose an item.
<b>Preventative actions taken to ensure no further issues will occur</b>		
Tenco are helping monitor compliance the training has been delivered to ensure future compliance.		
		<b>Completion date</b>
		31/7/2023

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

##### Code reference

Clause 7(3) Schedule 11.1

##### Code related audit information

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

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

##### Audit observation

The management of registry information was reviewed. The event detail report and registry list were reviewed to determine compliance.

##### Audit commentary

Once Firstlight confirms the correct pricing details Axos will be updated, and the new pricing attributes will be transferred to the registry through the synchronisation process.

Firstlight is usually able to confirm pricing details prior to electrical connection of the ICP. If any changes are required these are updated as soon as possible.

The backdated price category changes were checked and confirmed that none were related to new connections.

##### Audit outcome

Compliant

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

##### Code reference

Clause 7(8) and (9) Schedule 11.1

##### Code related audit information

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

##### Audit observation

The registry list was reviewed to determine compliance.

##### Audit commentary

Firstlight do not populate GPS co-ordinates.

##### Audit outcome

Compliant

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

##### Code reference

Clause 14 Schedule 11.1

##### Code related audit information

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

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

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

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

##### Audit observation

Processes to manage the “ready” status were reviewed.

The registry list for 11 April 2023 and the combined registry compliance audit reports covering the period from 1 January 2022 to 11 April 2023 were examined.

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

##### Audit commentary

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

Firstlight creates an ICP and enters the ICP’s attributes into Axos. Address, network, and pricing events are transferred to the registry once the minimum information required to create the ICP is saved and 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 Axos registry update. Firstlight confirmed that where possible they will provide sufficient information for the first registry update to enable ICPs to move directly to “ready” status.

- 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 will be updated to “ready” status on the registry once the information required is added into Axos and synchronised with the registry.

Axos updates the ICP status in its database to match the registry through its acknowledgement process.

Review of the registry list confirmed that all 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**.

The records of 20 recently created ICPs were examined, and compliance is confirmed.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 16 Schedule 11.1*

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

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

#### **Audit observation**

The event detail report and registry list were reviewed to identify ICPs at distributor status.

#### **Audit commentary**

Firstlight does not have any embedded networks or shared unmetered load; therefore, there are no ICPs with a “distributor” status. This was confirmed by checking the list file.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 20 Schedule 11.1*

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

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

*Decommissioning only occurs when:*

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



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

#### **Audit observation**

The event detail report and registry list were reviewed to identify ICPs at “decommissioned” status or “ready for decommissioning” status.

#### **Audit commentary**

Status data is entered into Axos, instead of Gentrack, and transferred to the registry. Once decommissioning is confirmed, Axos will be updated, and the new status attributes will be transferred to the registry through the synchronisation process.

ICPs at “ready for decommissioning” status can be identified using a current ICP status filter on the Axos registry manager landing page. A registry list report can be used to identify how long the affected ICPs have been at the status. ICPs that have been electrically disconnected for more than 280 days will have a notification sent to the retailers of these ICPs, with a request for permission to permanently decommission. If this is confirmed by the trader, the process to decommission the site is followed. Requests for decommissioning are also received directly from traders. In all instances written permission must then be received from the property owner. Only once this has been received will the ICP be moved to “ready for decommissioning”. With the dissolution of East tech during the previous audit period, this work has passed to Electrinet to action on Firstlight’s behalf. Notifications are provided back to Firstlight.

Axos ensures that decommissioned status can only be applied where an ICP has “new”, “inactive - ready for decommissioning” or “distributor” status, in line with the registry’s requirements. If an ICP is created at “ready” status and found to no longer be required, the pricing category can be removed in Axos 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. Status reason codes are selected from a drop-down box.

There were no issues identified during the audit in relation to the design of the decommissioning process. Late updates to decommissioned status are recorded as non-compliance in **section 4.1**.

#### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 23 Schedule 11.1*

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

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

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

#### **Audit observation**

The price category code table on the registry was examined.

#### **Audit commentary**

No new price category codes were created during the audit period.

**Audit outcome**

Compliant

## 5. CREATION AND MAINTENANCE OF LOSS FACTORS

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

#### Code reference

*Clause 21 Schedule 11.1*

#### Code related audit information

*The distributor must keep the registry up to date with the loss category codes that may be assigned to ICPs on the distributor's network.*

*The distributor must specify the date on which each loss category code takes effect.*

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

#### Audit observation

The loss category code table on the registry was examined.

#### Audit commentary

No new loss factors have been created during the audit period.

#### Audit outcome

Compliant

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

#### Code reference

*Clause 22 Schedule 11.1*

#### Code related audit information

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

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

#### Audit observation

The loss category code table on the registry was examined.

#### Audit commentary

Three loss factors were updated during the audit period. All were notified compliantly.

The accuracy of the loss factors is discussed in **section 8**.

#### Audit outcome

Compliant

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

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

#### Code reference

*Clause 11.8 and Clause 25 Schedule 11.1*

#### Code related audit information

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

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

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

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

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

#### Audit observation

The NSP table was reviewed.

#### Audit commentary

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

#### Audit outcome

Compliant

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

#### Code reference

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

#### Code related audit information

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

*The request must be made at least 10 business days before the NSP is electrically connected, in respect of an NSP that is an interconnection point between 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 reviewed.

### **Audit commentary**

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

### **Audit outcome**

Compliant

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

### **Code reference**

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

### **Code related audit information**

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

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

### **Audit observation**

The NSP table was reviewed.

### **Audit commentary**

No balancing area changes have occurred during the audit period.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 26(4) Schedule 11.1*

### **Code related audit information**

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

### **Audit commentary**

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

### **Audit outcome**

Compliant

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

### **Code reference**

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

### **Code related audit information**

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

### **Audit observation**

The NSP table was reviewed.

### **Audit commentary**

No balancing area changes have occurred during the audit period for Firstlight's NSPs.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clause 27 Schedule 11.1*

### **Code related audit information**

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

### **Audit observation**

The NSP table was reviewed.

### **Audit commentary**

No existing ICPs became NSPs during the audit period.

### **Audit outcome**

Compliant

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

### Code reference

Clause 1 to 4 Schedule 11.2

### Code related audit information

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

### Audit observation

The NSP table was reviewed.

### Audit commentary

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

### Audit outcome

Compliant

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

### Code reference

Clause 10.25(1) and 10.25(3)

### Code related audit information

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

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

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

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

### Audit observation

The NSP supply point table was examined.

### Audit commentary

No NSPs were created during the audit period.

### 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:*
  - a) the reconciliation participant for the NSP (Clause 10.25(2)(b)(i)); and*
  - b) the MEP for the NSP (Clause 10.25(2)(b)(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 supply point table was reviewed.

### Audit commentary

Firstlight have not connected any new NSPs during the audit period.

### Audit outcome

Compliant

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

### Code reference

Clause 29 Schedule 11.1

### Code related audit information

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

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

*at least one month's notification is required before the acquisition (Clause 29(2) of Schedule 11.1).*

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

### Audit observation

The NSP supply point table was reviewed.

### Audit commentary

Firstlight have not initiated any changes of network owner.



### **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 supply point table was reviewed.

### **Audit commentary**

Firstlight has no embedded networks connected to their network.

### **Audit outcome**

Compliant

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

### **Code reference**

*Clauses 5 and 8 Schedule 11.2*

### **Code related audit information**

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

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

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

### **Audit observation**

The NSP supply point table was reviewed.

### **Audit commentary**

Firstlight is not responsible for embedded network gate meters.

### **Audit outcome**

Compliant

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

#### **Code reference**

*Clause 6 Schedule 11.2*

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

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

#### **Audit observation**

The NSP supply point table was reviewed.

#### **Audit commentary**

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

#### **Audit outcome**

Compliant

## 7. MAINTENANCE OF SHARED UNMETERED LOAD

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

#### Code reference

*Clause 11.14(2) and (4)*

#### Code related audit information

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

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

#### Audit observation

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

#### Audit commentary

Firstlight 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

As detailed in **section 7.1**, Firstlight 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:

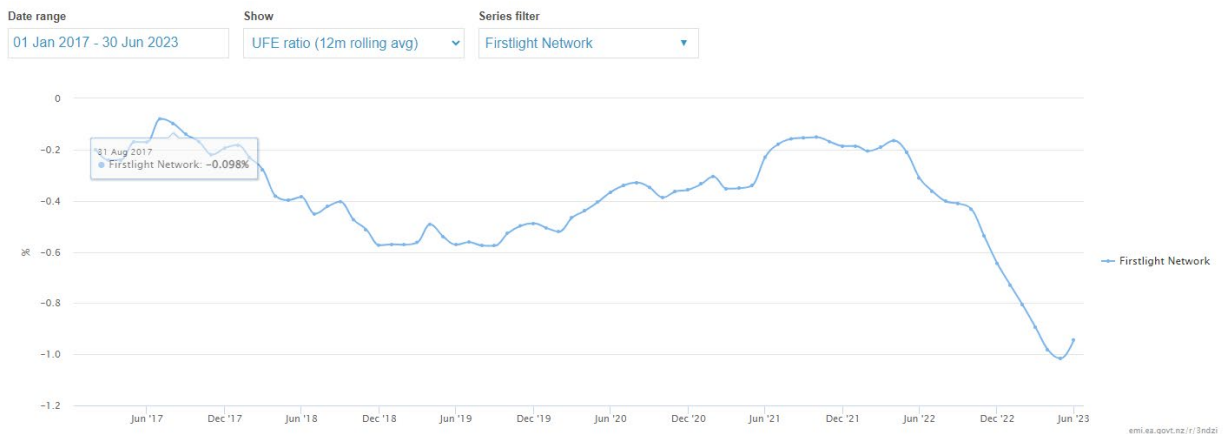
- a) complete and accurate
- b) not misleading or deceptive
- c) not likely to mislead or deceive.

#### Audit observation

Firstlight 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

Firstlight review their loss factors on an annual basis. The table below shows that UFE is within the +/- 1%:



#### Audit outcome

Compliant

## CONCLUSION

Firstlight has undergone significant change during 2023, with a change of ownership, the implementation of a new system and the loss of key personnel. The system and personnel changes have led to a reduction in the validation and audit trail capability and to a reduction in compliance. I've made several recommendations regarding further development of the Axos system to improve validation and audit trails. Firstlight is currently operating duplicate systems to manage some processes and I recommend the following points are examined:

- the ability to attach documents to ICP records, such as new connection applications and living notifications, including the ability to send and receive ICP application documentation and notifications,
- the ability to record memos against ICPs so there is an audit trail of relevant events all in one place, and
- two additional date fields would be useful, a price code agreement date and an ICP request date.

The new connections process is still well resourced, and compliance was of a high standard. Other registry updating processes are not well resourced and some registry updates, for example distributed generation, have not been made since approximately 1 June 2023. Some specific issues were unable to be examined during the audit due to the key registry management resource having left Firstlight. I recommend more robust process documentation is developed and maintained to ensure this issue cannot occur in further.

The audit identified six non-compliances and eight recommendations are made. Although the recommended next audit period is 12 months, I recommend a shorter period because some processes could not be checked in as much detail as normal and to ensure registry management processes are strengthened in as short a timeframe as possible. I recommend the next audit due date is set to 30 April 2023, which gives nine months.

## PARTICIPANT RESPONSE