

ELECTRICITY INDUSTRY PARTICIPATION CODE
DISTRIBUTOR AUDIT REPORT



For

FIRSTLIGHT NETWORK LIMITED
NZBN 9429039629548

Prepared by: Rebecca Elliot, Veritek Limited

Date audit commenced: 1 February 2024

Date audit report completed: 4 April 2024

Audit report due date: 07-May-24

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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 27 March 2024.

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

Firstlight have made good progress in putting processes and controls in place since the change of ownership in 2023. A new staff member has been appointed and is quickly coming up to speed to manage the registry maintenance functions. I have made 13 recommendations that will assist in these processes. This includes a number of repeated recommendations made in the last audit to improve the AXOS system.

This audit found eight non-compliances and makes 13 recommendations. Whilst this is an increase from the six non-compliances found in the last audit, compliance overall has improved. None of the non-compliances have weak controls and four have strong controls indicating that these are one off minor non-compliances.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of 12. This indicates a next audit frequency of 12 months. I have considered this in conjunction with Firstlight's responses and agree with this recommendation.

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)	ICPs with distributed generation also had an initial electrical connection date of the generation being added incorrectly during the audit period.	Moderate	Low	2	Identified
Timeliness of Provision of ICP Information to the registry manager	3.4	7(2) of Schedule 11.1	Three ICPs not made "ready" on the registry prior to these connections being electrically connected.	Strong	Low	1	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 some ICPs.	Strong	Low	1	Identified
Changes to registry information	4.1	8 Schedule 11.1	Two late address updates. 27 (50%) late status updates. Two late network updates. 78 (62%) late distributed generation updates.	Moderate	Low	2	Identified
ICP location address	4.4	2 Schedule 11.1	Nine ICPs with insufficient address details to be readily locatable.	Strong	Low	1	Identified
Provide ICP Information to the Registry manager	4.6	7(1)(m) & (p) Schedule 11.1	Two incorrect initial electrical connection dates recorded. One ICP with the incorrect NSP dedication flag recorded.	Moderate	Low	2	Identified

Subject	Section	Clause	Non-Compliance	Controls	Audit Risk Rating	Breach Risk Rating	Remedial Action
GPS coordinates	4.8	7(8) & 9 Schedule 11.1	Five "active" ICPS with the incorrect GPS co-ordinate format.	Moderate	Low	2	Identified
Maintenance of price category codes	4.12	23 of schedule 11.1	Price category code not updated on the table two months prior to coming into effect.	Strong	Low	1	Identified
Future Risk Rating						12	

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
Data consistency	2.1	Review the registry AC020 audit compliance reports at least monthly to identify potentially inaccurate information which requires investigation and correction.	Firstlight staff did not have knowledge of AC020 reports at the time of audit. Instead Axos was used to generate compliance reporting. Training has now been received and a process to check the Registry compliance report at least one a month was implemented from April-24.
Unmetered load applications	3.2	Update the AFS form to include unmetered load details.	This will be completed as part of AFS form update in H2 2024.
Axos functionality	3.2	Create functionality in Axos to include an application received date.	Functionality has been requested and logged in Axos ticket system FNL-34.
Axos functionality	3.2	Create functionality in Axos to include the ability to send new connection approval requests to traders.	Requested with Axos in April-24 (ref FNL-35).
ICPs at 1,12 for more than 24 months	3.14	Recommend monitoring ICPs at this status and contact the proposed trader to confirm the status is correct.	GIS inspection layer has been created in March-24 and inspections are starting in May-24.
Streetlight connections	3.16	Send new streetlight connections to the trader streetlight contacts.	Not adopted

Subject	Section	Description	Remedial action
Axos functionality	4.1	Create a field for price category code agreement date.	Requested with Axos in April-24 (ref FNL-36).
Axos functionality	4.1	Move batch processing to be before 7 30pm each day.	Requested with Axos for 19:20 in April-24 (ref FNL-37).
Distributed Generation	4.1	Review the process to improve timeliness of notification from the field of electrical connection.	Request to all PV installers sent out in April-24.
Distributed Generation	4.1	Remind approved contractors of their obligation to provide information ASAP.	Request/reminder to all PV installers sent out in April-24.
Distributed generation connection	4.6	Investigate if distributed generation is connected at ICP 0000927951WWDE7.	Solar panels connected in 2016. Trying to get paperwork through from Electrinet.
Decommissioning process	4.11	Reintroduce the requirement to get written approval from the property owner before decommissioning occurs.	Email to all network approved contractors sent in May-24.
Decommissioned ICP	4.11	Liaise with the trader to correct the "ready for decommissioning" date for ICP 0004406915EN6D8.	Notified CTCT and corrected in Apr-24.

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

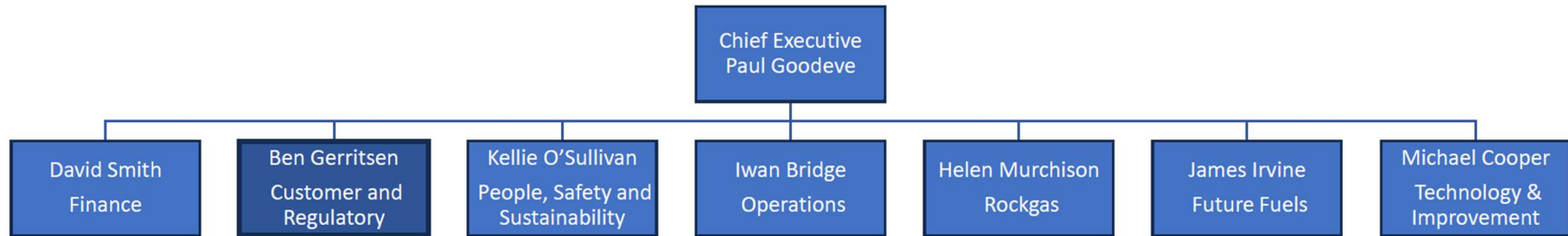
The Authority website was checked to determine whether there are code exemptions in place.

Audit commentary

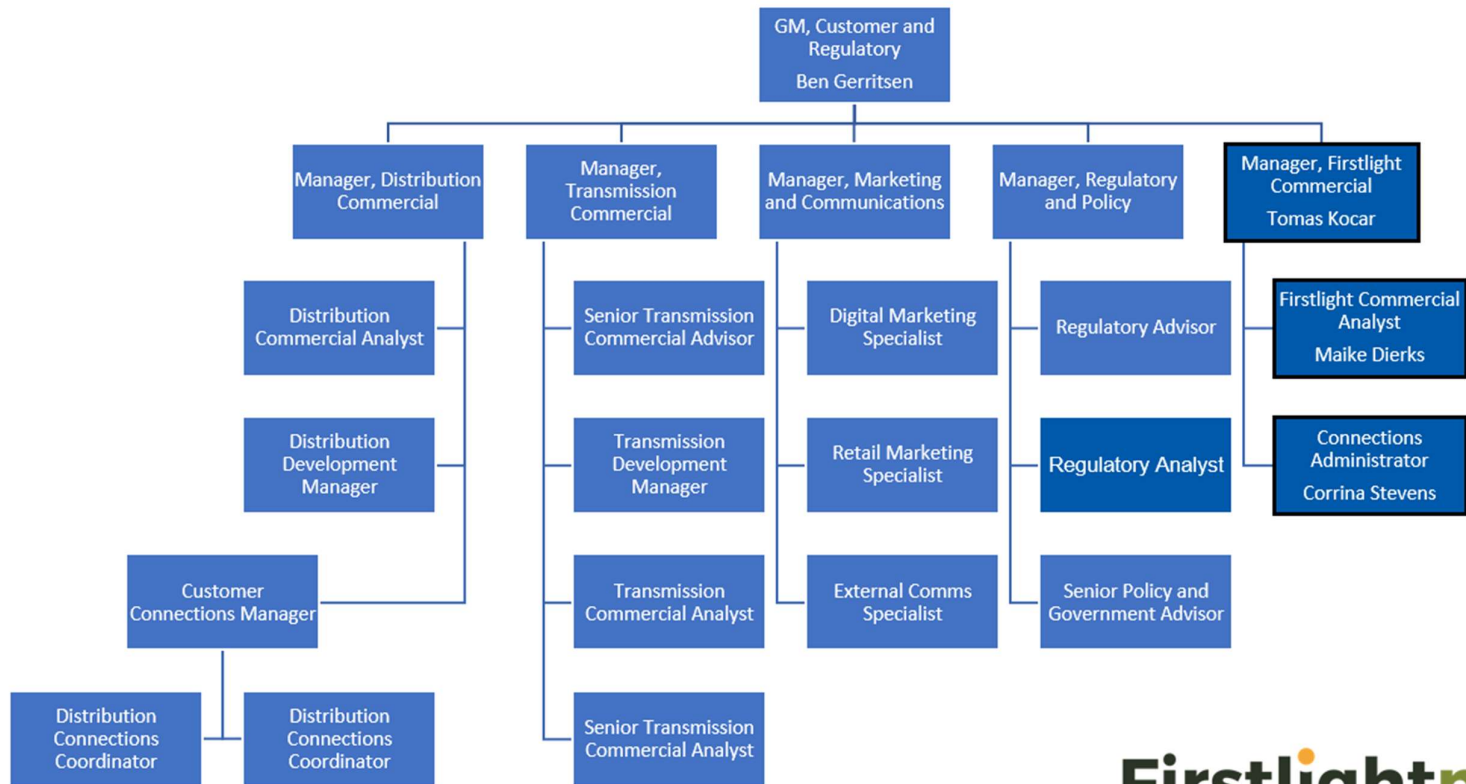
Review of exemptions on the Authority website confirmed that there are no exemptions in place relevant to the scope of this audit.

1.2. Structure of Organisation

Firstlight provided a copy of their organisation structure:



Customer and Regulatory Team



1.3. Persons involved in this audit

Auditor:

Rebecca Elliot

Veritek Limited

Electricity Authority Approved Auditor

Firstlight Networks personnel assisting in this audit were:

Name	Title
Tomas Kocar	Firstlight Commercial Manager
Corrina Stevens	Connections 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:

Network Construction/Maintenance/Livening Agents		
Company	Location	Name
AC Electrical Services Gisborne Ltd	Gisborne	Stu Blair
Country to Coast Power	Gisborne	Max Mclean
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
Inspectors		
Company	Location	Name
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

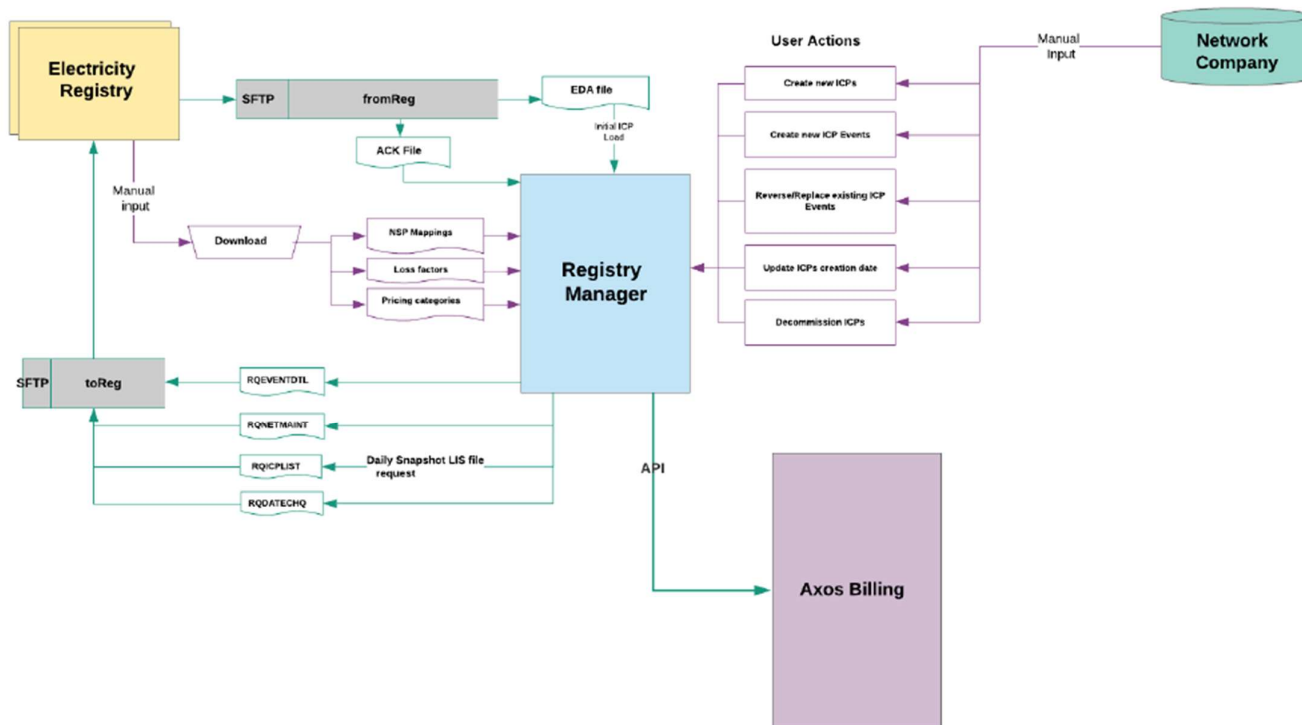
Firstlight use Axos for registry and ICP information management. The Axos Systems – Security Measures, Backup and Retention document have been provided previously and there have been no changes to these processes during the audit period.

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



GIS – ESRI Maximo

Firstlight uses Maximo for its GIS.

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	25,962

There are no embedded networks connected to the Firstlight network.

A list file detailing the ICP statuses was provided as of 2nd February 2024.

Status	Number of ICPs (2024)	Number of ICPs (2023)	Number of ICPs (2021)
New (999,0)	0	2	0
Ready (0,0)	32	29	37
Active (2,0)	25,962	25,924	25,708
Distributor (888,0)	0	0	0
Inactive – new connection in progress (1,12)	9	11	24
Inactive – electrically disconnected vacant property (1,4)	594	522	461
Inactive – electrically disconnected remotely by AMI meter (1,7)	134	111	101
Inactive – electrically disconnected at pole fuse (1,8)	32	32	30
Inactive – electrically disconnected due to meter disconnected (1,9)	20	17	11
Inactive – electrically disconnected at meter box fuse (1,10)	4	3	4
Inactive – electrically disconnected at meter box switch (1,11)	1	2	4
Inactive – electrically disconnected ready for decommissioning (1,6)	1	1	9
Inactive – reconciled elsewhere (1,5)	4	0	163
Decommissioned (3)	4,384	4,236	4,071

1.9. Authorisation Received

Firstlight provided an email of authorisation.

1.10. Scope of Audit

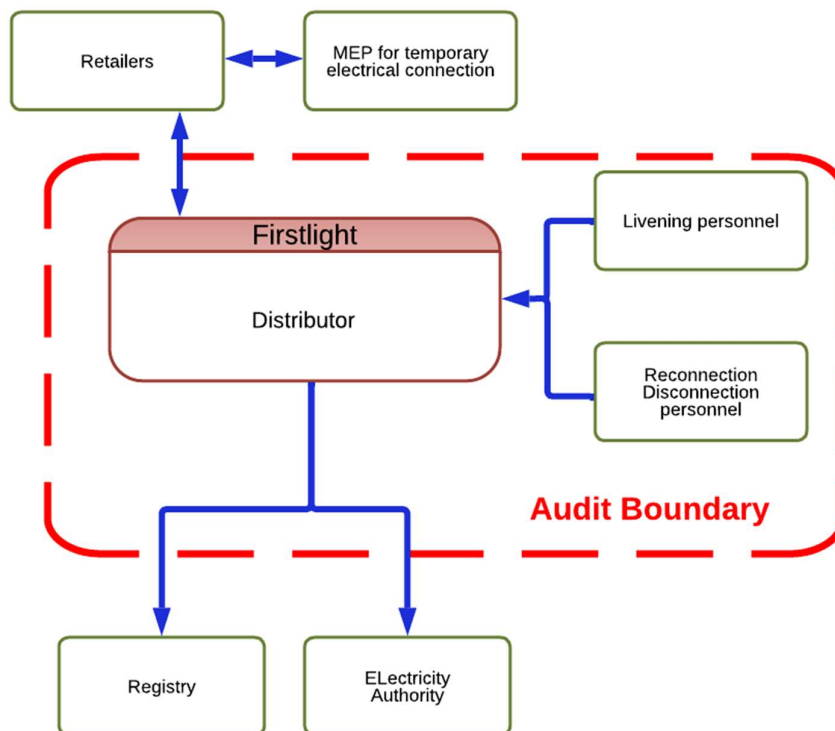
This distributor audit was performed at the request of Firstlight, to encompass the Electricity Industry Participation Code requirement for an audit, in accordance with clause 11.10 of part 11.

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 July 2023 by Steve Woods of Veritek Limited was reviewed. That audit found six non-compliances and made eight recommendations. The current status of the compliance against the relevant clauses and recommendations are detailed in the table below:

Table of non-compliance

Subject	Section	Clause	Non-compliance	Status
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.	Still existing
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.	Cleared
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.	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 25 (10%) of ICPs.	Still existing
Changes to registry information	4.1	8 Schedule 11.1	Some price, network, and status, changes were backdated.	Still existing
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.	Still existing

Table of Recommendations

Subject	Section	Recommendation	Status
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		Review the registry AC020 audit compliance reports at least monthly to identify potentially inaccurate information which requires investigation and correction.	Repeated
Axos functionality	3.2	Create functionality in Axos to include an application received date.	Repeated
Axos functionality	3.2	Create functionality in Axos to include the ability to send new connection approval requests to traders.	Repeated
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.	Adopted
Axos functionality	4.1	Create a field for price category code agreement date.	Repeated
IECD accuracy	4.6	Confirm the correct IECD for ICP 0002710699EN18F.	Resolved

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 1 February 2024 and the combined registry compliance audit reports covering the period from 12 April 2023 to 1 February 2024 were examined to confirm compliance.

Audit commentary

Firstlight uses Axos as for its registry management and billing. The staff member responsible for these functions is based in New Plymouth and travelled across to Gisborne for the audit.

Registry synchronisation

Event attribute data is entered into Axos, and then 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 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. 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 creates all ICPs and processes 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. This is still being investigated with Axos.

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 still developing a process to compare these reports.

Firstlight also completes the following validations:

- daily manual review of notification files to identify ICPs which have been updated to PV1 profile; these are checked against distributed generation, certification, and inspection records to determine whether distributed generation has been installed and Axos and the registry are updated as necessary,
- daily checks for ICPs at “active” status with no initial electrical connection date are run; 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 are identified for follow up using the ICP current status filter in Axos; a registry list report is used to identify how long the affected ICPs have been at the status.

In addition to the above checks, the material change audit, completed in March 2023, recommended that the registry’s AC020 distributor compliance report is reviewed to identify potential data discrepancies between registry fields for investigation and correction. Due to the staff changes during the audit period this hasn’t been adopted and I have repeated this recommendation to maintain visibility.

Recommendation	Description	Audited party comment	Remedial action
Data consistency	Review the registry AC020 audit compliance reports at least monthly to identify potentially inaccurate information which requires investigation and correction.	<p>Firstlight staff did not have knowledge of AC020 reports at the time of audit. Instead Axos was used to generate compliance reporting.</p> <p>Training has now been received and a process to check the Registry compliance report at least one a month was implemented from April-24.</p>	Identified

The issues raised in the last audit were reviewed and found:

- the issue of ICPs being created with the incorrect dedicated flag set of “no” rather than “yes” has been resolved and all ICPs created during the audit period have the correct flag,
- no ICPs had missing initial electrical connection 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 initial electrical connection event date should be the same as the initial electrical connection date; Axos defaults to the date of data entry so the event date has to be manually updated which is understood and I found no instances of incorrect event dates during the audit period, and
- distributed generation updates are being updated as the information is returned; some of these had an initial electrical connection date populated in error due to a misunderstanding of the requirements, however this is now understood and the incorrectly populated initial electrical connection dates are being removed (this will be checked in the next audit).

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 2.1 With: Clause 11.2(1) From: 12-Apr-23 To: 01-Feb-24	ICPs with distributed generation also had an initial electrical connection date of the generation being added incorrectly during the audit period. Potential impact: Low Actual impact: Low Audit history: Once previously Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	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
Corrective action of not recording initial electrical connection dates for distributed generation implemented straight after audit.		28 March 2024	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Sample checks to ensure compliance.		May-24	

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 1 February 2024 and the combined registry compliance audit reports covering the period from 12 April 2023 to 1 February 2024 were examined to confirm compliance.

Audit commentary

Section 2.1 describes the validation and correction processes. All errors identified are corrected as soon as practicable.

Audit outcome

Compliant

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

Code reference

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

Code related audit information

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

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

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

Audit observation

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. 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.

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.

I confirmed that there are no social media channels used to interact with individual 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 193 created since April 2023 were checked from the point of application through to when the ICPS were created. This included the one generation ICP created.

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 15 new connection applications of the 193 created since April 2023 were checked to determine whether the ICPs had been created within three business days of a request by a trader.

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. Firstlight allows unmetered new connections, but the AFS form has no fields for the load details to be recorded. I recommend the Electricity Authority’s recommended format is adopted:

Information	Format
Connected load	Watts, 4 digits, zero decimal places. Eg 1565
Semi colon separator	;
Running hours per day	Hours to 2 digits, and decimal hours to 1 decimal place Eg 02.5 (ie two and one half hours)
Semi colon separator	;
Other text	Free form as required

Example strings:

- 0110;10.5; Street light corner Rons Rd and Beatty St

Description	Recommendation	Audited party comment	Remedial action
Unmetered load applications	Update the AFS form to include unmetered load details.	This will be completed as part of AFS form update in H2 2024.	Identified

The AFS 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.

As recorded in the last audit, 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 repeat the last audit’s recommendation that Firstlight requires Axos to create this functionality in the Axos system.

Description	Recommendation	Audited party comment	Remedial action
Axos functionality	Create functionality in Axos to include an application received date.	Functionality has been requested and logged in Axos ticket system FNL-34.	Identified

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.	Functionality has been requested and logged in Axos ticket system FNL-35.	Identified

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 193 created since April 2023 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.

Audit outcome

Compliant

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

Code reference

Clause 7(2) of Schedule 11.1

Code related audit information

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

Audit observation

The new connection process was examined. The registry list for 1 February 2024 and the combined registry compliance audit reports covering the period from 12 April 2023 to 1 February 2024 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 158 new ICPs were created and electrically connected. The audit compliance report identified three ICPs that were electrically connected and not updated on the registry prior to electrical connection. These were examined and found that:

- two were corrections to the ICP start date resulting in the ICP not being made “ready” prior to electricity being traded, and
- the price category code was missed for ICP 0010000005EN963, so it was not made “ready” until after electricity was being traded.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.4 With: Clause 7(2) of Schedule 11.1 From: 08-Apr-23 To: 26-Sep-23	Three ICPs not made “ready” on the registry prior to these connections being electrically connected. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	Controls are rated as strong, as there are robust checks in place to check that ICPs are at the correct status and are ready for traders to claim wherever possible. The audit risk rating is assessed to be low as only three ICPs were affected during the audit period.		
Actions taken to resolve the issue		Completion date	Remedial action status
Daily reports for ‘999 New’ ICP status are run to ensure these connections are being uploaded to registry, once these ICPs are uploaded to registry, the status then changes to ‘000 Ready’		Implemented April 24	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Continue to run daily reports.		Implemented April 24	

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 1 February 2024 and the combined registry compliance audit reports covering the period from 12 April 2023 to 1 February 2024 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.

There were 266 initial electrical connection date updates in the event detail report. The audit compliance report identified 87 (32%) late updates. This appears to be a decline in timeliness but a sample of 20 ICPs were checked, made up of extreme sample of the ten most backdated updates and the ten most recent late updates. This found that:

- all of the most backdated events were actioned as a result of the last audit, and
- the ten most recent were all incorrectly populated when distributed generation was added (which will be reversed) and is recorded as non-compliance in **section 2.1**.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 3.5 With: Clause 7(2A) of Schedule 11.1 From: 12-Apr-23 To: 01-Feb-24	Late population of the initial electrical connection date for some 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		
Low	Controls are rated as strong, as the requirement is now understood, and the robust process checks ensure that the timeliness of initial electrical connection dates are at an acceptable level. 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
It is now understood that the initial electrical connection date for distributed generation is not populated, only the event date.		Implemented April 24	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	

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 1 February 2024 and the combined registry compliance audit reports covering the period from 12 April 2023 to 1 February 2024 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 unless a network extension is required. 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 15 new connection applications of the 193 created since April 2023 identified from the list file were checked to determine if the ICPs were connected at the request of the trader.

Audit commentary

Firstlight expects to create all new ICPs at "ready" unless a network extension is required. Examination of the list file found two ICPs at the "new" status. Both have since been made "ready" and claimed by a trader. All other ICPs have a trader who has accepted responsibility for the ICP.

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 12 April 2023 to 1 February 2024 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" date 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:

xxxxxxxxxxxccc where:

- xxxxxxxxxxxx is a numerical sequence provided by the distributor,
- xx is a code that ensures the ICP is unique (assigned by the Authority to the issuing distributor),
- ccc is a checksum generated according to the algorithm provided by the 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 since been made “ready” and both have 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 12 April 2023 to 1 February 2024 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 are identified using a current ICP status filter on the Axos registry manager landing page. A registry list report is used to identify how long the affected ICPs have been at the status. Firstlight checks this 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 two ICPs at the “ready” status for greater than 24 months. These were examined and found both have been confirmed to be still required.

I checked the registry list file for ICPs at status 1,12 “new connection in progress” and identified ICP 0001810400ENF8F has been at this status for more than 24 months. Whilst there is no code requirement to monitor these, I recommend that Firstlight manage these in the same way as those ICPs at “new and “ready”. Firstlight checked with the proposed trader and confirmed that ICP 0001810400ENF8F is still required.

Description	Recommendation	Audited party comment	Remedial action
ICPs at 1,12 for more than 24 months	Recommend monitoring ICPs at this status and contact the proposed trader to confirm the status is correct.	Firstlight implemented a new GIS inspection layer in April 2024 to start an inspection programme targeting among other reasons inactive ICPs.	Identified

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 1 February 2024 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

For all new streetlight connections, the new connection process is expected to be followed with an AFS application being submitted by the council. I have recommended in **section 3.2**, that fields be added to capture load details for new unmetered connections.

A notification is then sent to the nominated trader. I recommend directing these approvals to the streetlight contacts at the trader as these are generally managed separately to the normal new connection process. I found no evidence of streetlight connections being connected without trader approval being gained.

Description	Recommendation	Audited party comment	Remedial action
Streetlight connections	Send new streetlight connections to the trader streetlight contacts.	This is already in place. When an AFS for new streetlight is received, the information is entered into an Access form which sends an email to the trader.	Not adopted

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 ten business days, the notification must be provided no later than the 13th business day and be backdated to the date the change took effect.

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

Audit observation

The management of registry updates was reviewed.

The registry list for 1 February 2024 and the registry compliance audit report covering the period from 12 April 2023 to 1 February 2024 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	2021	2	98.48%	0.06
	2023	0	100%	0.14
	2024	2	97.50%	0.48
Pricing	2023	316	N/A	N/A
	2024	128	N/A	N/A
Status	2021	97	24.11%	6.84
	2023	208	8.8%	19
	2024	27	47.06%	6.02
Network (excl. new connection & Distributed Generation)	2021	210	N/A	N/A
	2023	6	N/A	N/A
	2024	2	N/A	N/A
Distributed Generation	2021	97	7.50%	23.09
	2023	82	13.7%	24.18
	2024	78	12.36%	59.46

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

Address events

There were two late address updates. These were examined and found both were corrections.

Pricing events

Firstlight will backdate pricing events, but only if it is found that the customer has been billed incorrectly.

The code was changed on 30 November 2021 and 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 ten backdated updates (five extreme examples of the longest backdates and five examples of the most recent backdates) out of 128 recorded in the audit compliance report and confirmed that they were actioned within three days of the agreement being reached. I repeat the last audit's recommendation that 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.	Functionality has been requested and logged in Axos ticket system FNL-36.	Identified

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.

27 of 54 updates to decommissioning were late. A sample of six of these (three extreme of the longest backdates and three of the most recent backdates) were checked. This found that these were late due to:

- a lack of understanding of when the update was expected post the trader updating their status for four updates which is now understood,
- late paperwork being returned for ICP 0000250332EN975, and
- ICP 0000400156ENF9B was recorded as updated one day late due to the batch processing being actioned at 11pm each night, however the registry's official opening hours are 7.30 am to 7.30 pm so any updates received after 7.30 pm will be recorded as being received the next day, so I recommend moving the batch processing to before 7.30 pm each day.

Description	Recommendation	Audited party comment	Remedial action
Axos functionality	Move batch processing to be before 7 30pm each day.	This has been requested and logged in Axos ticket system FNL-37.	Identified

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 two genuine late network updates. These were examined and found that the initial electrical connection dates and the ICP dedication flag were changed. Both were missed due to human error.

Distributed Generation

The distributed generation process is described in **section 4.6**. 78 of 126 distributed generation updates to existing ICPs were late. A typical sample of 15 ICPs were examined and found all were late due to the paperwork being returned late. I recommend that the process of notification be reviewed and to remind contractors of their obligation as part of their approval to work on the network that paperwork be provided back ASAP.

Description	Recommendation	Audited party comment	Remedial action
Distributed generation connection process	Review the process to improve timeliness of notification from the field of electrical connection.	A notification to all installer to be sent in May-24 and monitoring of non-compliance to be monitored.	Identified
Distributed generation connection process	Remind approved contractors of their obligation to provide information ASAP.	A notification to all installer to be sent in May-24 and monitoring of non-compliance to be monitored.	Identified

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

Audit outcome

Non-compliant

Non-compliance	Description		
<p>Audit Ref: 4.1</p> <p>With: Clause 8 Schedule 11.1</p> <p>From: 12-Apr-23</p> <p>To: 01-Feb-24</p>	<p>Two late address updates.</p> <p>27 (50%) late status updates.</p> <p>Two late network updates.</p> <p>78 (62%) late distributed generation updates.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: Multiple times</p> <p>Controls: Moderate</p> <p>Breach risk rating: 2</p>		
Audit risk rating	Rationale for audit risk rating		
Low	<p>The controls are rated as moderate and will mitigate risk to an acceptable level but there is room for improvement.</p> <p>The audit risk rating is assessed to be low as the volume of late files is small in relation to the size of the customer base.</p>		
Actions taken to resolve the issue		Completion date	Remedial action status
During the audit period, the current team was still getting up to speed and some compliance processes were not in place. Training has been delivered throughout the last 6 months and compliance reporting is done daily.		March-24	
Preventative actions taken to ensure no further issues will occur		Completion date	
Continuous monitoring and the use of AC020 Registry report		April-24	

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.

The audit compliance report did not identify any ICPs with duplicate addresses.

Examination of the list file found 17 “active” ICPs with insufficient location details to make them readily locatable. These were reviewed by Firstlight and address details have been added to eight ICPs to make them readily locatable. Firstlight is working through the remaining nine ICPs to make these readily locatable.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.4 With: Clause 2 Schedule 11.1 From: 12-Apr-23 To: 01-Feb-24	Nine ICPs with insufficient address details to be readily locatable. Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as strong as the address requirements in Axos are well defined. The audit risk rating is assessed to be low as the number of ICPs affected is very small.		
Actions taken to resolve the issue		Completion date	Remedial action status
Firstlight will include northing and easting coordinates in Axos for all ICPs and will continue to review addresses that are not locatable.		2024	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Moving forward all ICPs will have a readily locatable address with GPS coordinates if the address does not have a gazette address.		Implemented April 24	

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,

- e) *the actual chargeable capacity of the ICP in any other case,*
- *the distributor installation details for the ICP determined by the price category code assigned to the ICP (if any), which may be placeholder distributor installation details only if the distributor is unable to assign the actual distributor installation details because the capacity or volume information required to assign the actual distributor installation details cannot be determined before electricity is traded at the ICP (clause 7(1)(i) of schedule 11.1),*
- *the participant identifier of the first trader who has entered into an arrangement to sell or purchase electricity at the ICP (only if the information is provided by the first trader) (clause 7(1)(j) of schedule 11.1),*
- *the status of the ICP (clause 7(1)(k) of schedule 11.1),*
- *designation of the ICP as "dedicated" if the ICP is located in a balancing area that has more than 1 NSP located within it, and the ICP will be supplied only from the NSP advised under clause 7(1)(b) of schedule 11.1, or the ICP is a point of connection between a network and an embedded network (clause 7(1)(l) of schedule 11.1),*
- *if unmetered load, other than distributed unmetered load, is associated with the ICP, the type and capacity in kW of unmetered load (clause 7(1)(m) of schedule 11.1),*
- *if shared unmetered load is associated with the ICP, a list of the ICP identifiers of the ICPs that are associated with the unmetered load (clause 7(1)(n) of schedule 11.1),*
- *if the ICP is capable of generating into the distributors network (clause 7(1)(o) of schedule 11.1):*
 - a) *the nameplate capacity of the generator; and*
 - b) *the fuel type,*
- *the initial electrical connection date of the ICP (clause 7(1)(p) of schedule 11.1).*

Audit observation

The management of registry information was reviewed. The registry list as of 1 February 2024 and the audit compliance reports for the audit period from 12 April 2023 to 1 February 2024 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 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. 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

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. As noted in **section 4.1**, notification from the field is slow and I make two recommendations to improve this.

Firstlight continues 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.

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 is updated, and the new network attributes are transferred to the registry through the synchronisation process.

Examination of the list file found 601 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 three "active" ICPs where the trader's profile indicates distributed generation is present and Firstlight have none recorded. These were examined and found:

- Firstlight has since uploaded the distributed generation details for ICP 0000090353WW21C as part of BAU,
- Firstlight confirmed that no distributed generation is present for ICP 0000490871EN1C9 and the trader has since changed the profile back to RPS, and
- ICP 0000927951WWDE7 appears to have distributed generation installed as there is a failed inspection recorded on the high-risk database; I recommend that this is investigated to confirm if generation is connected to the grid or not and that it is compliant.

Description	Recommendation	Audited party comment	Remedial action
Distributed generation connection	Investigate if distributed generation is connected at ICP 0000927951WWDE7.	Solar panels connected in 2016. Requested paperwork from Electrinet.	Identified

Examination of the LIS file identified 18 "active" ICPs where Firstlight has distributed generation recorded but the retailer's profile does not indicate any is present. A typical sample of five of these were checked and found that Firstlight had received confirmation of distributed generation being installed for all. These volumes maybe being gifted and therefore the trader's profile won't reflect generation is present.

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. I have recommended in **section 3.2**, that unmetered load details are added to the AFS form.

All 174 "active" ICPs with unmetered load have load details in the distributor field and a daily kWh figure in the trader daily kWh field. All were in a format where the daily unmetered load value could be calculated. This was compared to the traders daily unmetered load value, and all were accurately recorded when compared with the trader's unmetered load value.

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 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 are run. This is achieved 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 are investigated by searching for paperwork, checking for information on the electricity and gas high risk database and following up with the livening agent.

I re-checked incorrect initial electrical connection dates identified during the last audit and found they had all been corrected except for ICP 0002710699EN18F. This was highlighted in the last audit. The initial electrical connection date has been confirmed to be 17 March 2021 and this was corrected during the site audit.

The audit compliance reporting identified five ICPs where the initial electrical connection date was different to either the “active” date or the certification date or both. In four cases, Firstlight was able to provide evidence that their date was correct. ICP 0000540313EN58F is an unmetered new connection and the trader’s date was confirmed as correct and this was updated during the site audit.

The audit compliance reporting did not identify any ICPs with a blank initial electrical connection date or ICPs at the “ready” status with an initial electrical connection date recorded.

Dedicated field

The last audit reported that the checkbox for the dedicated field when ICPs were created was not “checked” since Axos was implemented in April 2023, meaning all ICPs were recorded as not dedicated. These have been corrected. A check of the registry list file identified one “active” ICP 0000310309ENFA0 that has the incorrect flag recorded. This was examined and found that it has always been incorrect, and was corrected during the site audit.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.6 With: Clause 7(1)(m) & (p) Schedule 11.1 From: 12-Apr-23 To: 01-Feb-24	Two incorrect initial electrical connection dates recorded. One ICP with the incorrect NSP dedication flag recorded. Potential impact: Low Actual impact: Low Audit history: Multiple times Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate because there is room to improve and I have made recommendations in the report in relation to these. The audit risk rating is recorded as low as the overall number of variances is low.		
Actions taken to resolve the issue		Completion date	Remedial action status
Corrections to IECD and NSP dedication flag data has been corrected.		Mar-24	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Review processes and training should ensure better compliance or eliminate non-compliance altogether.		Mar-24	

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

Code reference

Clause 7(3) Schedule 11.1

Code related audit information

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

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

Audit observation

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

Audit commentary

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

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

The audit compliance report confirmed that there were no backdated price category changes 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 usually populate GPS co-ordinates. Examination of the list file identified five “active” ICPs with the incorrect GPS coordinate format populated. These were reviewed and will be either removed or updated to be in the correct format.

Firstlight are investigating loading GPS co-ordinates for all ICPs.

Audit outcome

Non-compliant

Non-compliance	Description		
Audit Ref: 4.8 With: Clauses 7(8) & 9 Schedule 11.1 From: 12-Apr-23 To: 01-Feb-24	Five "active" ICPS with the incorrect GPS co-ordinate format. Potential impact: Low Actual impact: Low Audit history: None Controls: Moderate Breach risk rating: 2		
Audit risk rating	Rationale for audit risk rating		
Low	The controls are rated as moderate now as the GPS co-ordinate requirement is understood. The audit risk rating is recorded as low as only five ICPs were affected.		
Actions taken to resolve the issue		Completion date	Remedial action status
These will be corrected as part of a bulk upload of northing and easting coordinate to all ICPs in H2 2024.		H2 2024	Identified
Preventative actions taken to ensure no further issues will occur		Completion date	
Checks of custom attribute on LIS report periodically to ensure all ICP have coordinates and in the correct format.		H2 2024	

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 1 February 2024 and the combined registry compliance audit reports covering the period from 12 April 2023 to 1 February 2024 were examined.

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

Audit commentary

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 15 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 and transferred to the registry. Once decommissioning is confirmed, Axos is updated, and the new status attributes are transferred to the registry through the synchronisation process.

ICPs at “ready for decommissioning” status are identified using a current ICP status filter on the Axos registry manager landing page. A registry list report is used to identify how long the affected ICPs have been at the status.

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 reversed in Axos and 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.

The previous process of requesting all ICPs that have been electrically disconnected for more than 280 days being sent a notification to the traders, with a request for permission to permanently decommission has been paused but is planned to be restarted. These requests will be triggered after two years of being electrically disconnected. If confirmed by the trader, the process to decommission the site will be followed. The previous process required written permission from the property owner be received prior to the decommissioning to go ahead. I recommend this is reintroduced so that supply lines are not removed in error as has happened on other networks.

Description	Recommendation	Audited party comment	Remedial action
Decommissioning process	Reintroduce the requirement to get written approval from the property owner before decommissioning occurs.	All NACs will receive an instruction to request a written approval from the property owner before any decommission work is carried out. This confirmation will be submitted to Firstlight along with record of completion.	Identified

Requests for decommissioning are also received directly from traders. Electrinet carry out the decommissioning in the field.

One ICP was recorded as pending decommissioning in the list file. This has since been decommissioned as part of BAU.

Late updates to decommissioned status are recorded as non-compliance in **section 4.1**.

I checked the accuracy of the decommissioning date for a typical sample of five ICPs and found:

- four ICPs were confirmed correct, and
- ICP 0004406915EN6D8 was decommissioned on 27 July 2023 but the trader did not make it “ready for decommissioning” until 30 August 2023, so Firstlight were unable to make it decommissioned for the correct date; I have recorded compliance as Firstlight have relied on information recorded in the registry by another participant, but I recommend that Firstlight contact the trader to get them to correct their date.

Description	Recommendation	Audited party comment	Remedial action
Decommissioned ICP	Liaise with the trader to correct the “ready for decommissioning” date for ICP 0004406915EN6D8.	Firstlight requested that CTCT change the ready for decommission event date to 2 June 2023, when we sent the amalgamation instruction through to the trader.	Identified

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

One new price category code was created during the audit period for the Airport Solar farm (GENCN01). This was notified on 30 October 2023 and came into effect on 1 November 2023 which is less than two months prior to coming into effect and is recorded as non-compliance below.

Audit outcome

Non-compliant

Non-compliance	Description	
<p>Audit Ref: 4.12</p> <p>With: Clause 23 of schedule 11.1</p> <p>From: 31-Aug-23</p> <p>To: 01-Nov-23</p>	<p>Price category code not updated on the table two months prior to coming into effect.</p> <p>Potential impact: Low</p> <p>Actual impact: Low</p> <p>Audit history: None</p> <p>Controls: Strong</p> <p>Breach risk rating: 1</p>	
Audit risk rating	Rationale for audit risk rating	
Low	<p>The controls are recorded as strong as the requirement is understood and will mitigate risk to an acceptable level.</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
<p>This was an individual tariff specifically created for the Airport Solar farm after mutual agreement between Eastland Generation (TAOM) and FNL. While this is non compliant with Clause 23 of schedule 11.1, this did not affect the customer.</p>	N/A	Identified
Preventative actions taken to ensure no further issues will occur	Completion date	
<p>Ensure any future price category code to be updated more than two months before coming into effect.</p>	Mar-24	

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

No loss factors were updated during the audit period.

Audit outcome

Compliant

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

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

Code reference

Clause 11.8 and Clause 25 Schedule 11.1

Code related audit information

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

Audit observation

The NSP table was 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 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 have made good progress in putting processes and controls in place since the change of ownership in 2023. A new staff member has been appointed and is quickly coming up to speed to manage the registry maintenance functions. I have made 13 recommendations that will assist in these processes. This includes a number of repeated recommendations made in the last audit to improve the AXOS system.

This audit found eight non-compliances and makes 13 recommendations. Whilst this is an increase from the six non-compliances found in the last audit, compliance overall has improved. None of the non-compliances have weak controls and four have strong controls indicating that these are one off minor non-compliances.

The date of the next audit is determined by the Electricity Authority and is dependent on the level of compliance during this audit. The table below provides some guidance on this matter and contains a future risk rating score of 12. This indicates a next audit frequency of 12 months. I have considered this in conjunction with Firstlight's responses and agree with this recommendation.

PARTICIPANT RESPONSE

Firstlight have reviewed this report and their comments are recorded in the body of the report. No further comments were provided.