

**ELECTRICITY INDUSTRY PARTICIPATION CODE
RECONCILIATION PARTICIPANT AUDIT REPORT**

For

LIGHTHOUSE ENERGY

Prepared by: Ewa Glowacka

Date audit commenced: 22 November 2018

Date audit report completed: 21 January 2019

Audit report due date: 11-Jan-19

TABLE OF CONTENTS

| | |
|--|----|
| Executive summary | 5 |
| Audit summary | 6 |
| Non-compliances | 6 |
| Recommendations | 6 |
| Issues 6 | |
| 1. Administrative | 7 |
| 1.1. Exemptions from obligations to comply with Code (Section 11) | 7 |
| 1.2. Structure of Organisation | 7 |
| 1.3. Persons involved in this audit | 7 |
| 1.4. Use of Agents (Clause 15.34) | 7 |
| 1.5. Hardware and Software | 8 |
| 1.6. Breaches or Breach Allegations | 8 |
| 1.7. ICP Data | 8 |
| 1.8. Authorisation Received | 9 |
| 1.9. Scope of Audit | 9 |
| 1.10. Summary of previous audit | 10 |
| 2. Operational Infrastructure | 11 |
| 2.1. Relevant information (Clause 10.6, 11.2, 15.2) | 11 |
| 2.2. Provision of information (Clause 15.35) | 12 |
| 2.3. Data transmission (Clause 20 Schedule 15.2) | 12 |
| 2.4. Audit trails (Clause 21 Schedule 15.2) | 13 |
| 2.5. Retailer responsibility for electricity conveyed - participant obligations (Clause 10.4) .. | 14 |
| 2.6. Retailer responsibility for electricity conveyed - access to metering installations (Clause 10.7(2), (4), (5) and (6)) | 14 |
| 2.7. Physical location of metering installations (Clause 10.35(1) & (2)) | 15 |
| 2.8. Trader contracts to permit assignment by the Authority (Clause 11.15B) | 15 |
| 2.9. Connection of an ICP (Clause 10.32) | 16 |
| 2.10. Temporary Electrical Connection of an ICP (Clause 10.33(1)) | 16 |
| 2.11. Electrical Connection of Point of Connection (Clause 10.33A) | 17 |
| 2.12. Arrangements for line function services (Clause 11.16) | 17 |
| 2.13. Arrangements for metering equipment provision (Clause 10.36) | 18 |
| 3. Maintaining registry information | 19 |
| 3.1. Obtaining ICP identifiers (Clause 11.3) | 19 |
| 3.2. Providing registry information (Clause 11.7(2)) | 19 |
| 3.3. Changes to registry information (Clause 10 Schedule 11.1) | 20 |
| 3.4. Trader responsibility for an ICP (Clause 11.18) | 20 |
| 3.5. Provision of information to the registry manager (Clause 9 Schedule 11.1) | 21 |
| 3.6. ANZSIC codes (Clause 9 (1)(k) of Schedule 11.1) | 22 |
| 3.7. Changes to unmetered load (Clause 9(1)(f) of Schedule 11.1) | 22 |
| 3.8. Management of “active” status (Clause 17 Schedule 11.1) | 22 |
| 3.9. Management of “inactive” status (Clause 19 Schedule 11.1) | 23 |
| 3.10. ICPs at new or ready status for 24 months (Clause 15 Schedule 11.1) | 23 |
| 4. Performing customer and embedded generator switching | 25 |
| 4.1. Inform registry of switch request for ICPs - standard switch (Clause 2 Schedule 11.3) .. | 25 |

| | | |
|-------|--|----|
| 4.2. | Losing trader response to switch request and event dates - standard switch (Clauses 3 and 4 Schedule 11.3) | 25 |
| 4.3. | Losing trader must provide final information - standard switch (Clause 5 Schedule 11.3) | 26 |
| 4.4. | Retailers must use same reading - standard switch (Clause 6(1) and 6A Schedule 11.3) | 26 |
| 4.5. | Non-half hour switch event meter reading - standard switch (Clause 6(2) and (3) Schedule 11.3) | 27 |
| 4.6. | Disputes - standard switch (Clause 7 Schedule 11.3) | 28 |
| 4.7. | Gaining trader informs registry of switch request - switch move (Clause 9 Schedule 11.3) | 28 |
| 4.8. | Losing trader provides information - switch move (Clause 10(1) Schedule 11.3) | 29 |
| 4.9. | Losing trader determines a different date - switch move (Clause 10(2) Schedule 11.3) | 29 |
| 4.10. | Losing trader must provide final information - switch move (Clause 11 Schedule 11.3) | 30 |
| 4.11. | Gaining trader changes to switch meter reading - switch move (Clause 12 Schedule 11.3) | 30 |
| 4.12. | Gaining trader informs registry of switch request - gaining trader switch (Clause 14 Schedule 11.3) | 31 |
| 4.13. | Losing trader provision of information - gaining trader switch (Clause 15 Schedule 11.3) | 32 |
| 4.14. | Gaining trader to advise the registry manager - gaining trader switch (Clause 16 Schedule 11.3) | 32 |
| 4.15. | Withdrawal of switch requests (Clauses 17 and 18 Schedule 11.3) | 33 |
| 4.16. | Metering information (Clause 21 Schedule 11.3) | 34 |
| 4.17. | Switch saving protection (Clause 11.15AA to 11.15AB) | 34 |
| 5. | Maintenance of unmetered load | 36 |
| 5.1. | Maintaining shared unmetered load (Clause 11.14) | 36 |
| 5.2. | Unmetered threshold (Clause 10.14 (2)(b)) | 36 |
| 5.3. | Unmetered threshold exceeded (Clause 10.14 (5)) | 37 |
| 5.4. | Distributed unmetered load (Clause 11 Schedule 15.3, Clause 15.37B) | 37 |
| 6. | Gathering raw meter data | 39 |
| 6.1. | Electricity conveyed & notification by embedded generators (Clause 10.13, Clause 10.24 and 15.13) | 39 |
| 6.2. | Responsibility for metering at GIP (Clause 10.26 (6), (7) and (8)) | 39 |
| 6.3. | Certification of control devices (Clause 33 Schedule 10.7 and clause 2(2) Schedule 15.3) | 40 |
| 6.4. | Reporting of defective metering installations (Clause 10.43(2) and (3)) | 40 |
| 6.5. | Collection of information by certified reconciliation participant (Clause 2 Schedule 15.2) | 41 |
| 6.6. | Derivation of meter readings (Clause 3(1), 3(2) and 5 Schedule 15.2) | 42 |
| 6.7. | NHH meter reading application (Clause 6 Schedule 15.2) | 42 |
| 6.8. | Interrogate meters once (Clause 7(1) and (2) Schedule 15.2) | 43 |
| 6.9. | NHH meters interrogated annually (Clause 8(1) and (2) Schedule 15.2) | 43 |
| 6.10. | NHH meters 90% read rate (Clause 9(1) and (2) Schedule 15.2) | 44 |
| 6.11. | NHH meter interrogation log (Clause 10 Schedule 15.2) | 44 |
| 6.12. | HHR data collection (Clause 11(1) Schedule 15.2) | 45 |
| 6.13. | HHR interrogation data requirement (Clause 11(2) Schedule 15.2) | 45 |
| 6.14. | HHR interrogation log requirements (Clause 11(3) Schedule 15.2) | 46 |
| 7. | Storing raw meter data | 47 |
| 7.1. | Trading period duration (Clause 13 Schedule 15.2) | 47 |
| 7.2. | Archiving and storage of raw meter data (Clause 18 Schedule 15.2) | 47 |
| 7.3. | Non metering information collected / archived (Clause 21(5) Schedule 15.2) | 47 |

| | | |
|--------|---|----|
| 8. | Creating and managing (including validating, estimating, storing, correcting and archiving) volume information | 49 |
| 8.1. | Correction of NHH meter readings (Clause 19(1) Schedule 15.2) | 49 |
| 8.2. | Correction of HHR metering information (Clause 19(2) Schedule 15.2) | 49 |
| 8.3. | Error and loss compensation arrangements (Clause 19(3) Schedule 15.2)..... | 50 |
| 8.4. | Correction of HHR and NHH raw meter data (Clause 22(1) and (2) Schedule 15.2) | 50 |
| 9. | Estimating and validating volume information | 52 |
| 9.1. | Identification of readings (Clause 3(3) Schedule 15.2) | 52 |
| 9.2. | Derivation of volume information (Clause 3(4) Schedule 15.2) | 52 |
| 9.3. | Meter data used to derive volume information (Clause 3(5) Schedule 15.2) | 52 |
| 9.4. | Half hour estimates (Clause 15 Schedule 15.2) | 53 |
| 9.5. | NHH metering information data validation (Clause 16 Schedule 15.2)..... | 53 |
| 9.6. | Electronic meter readings and estimated readings (Clause 17 Schedule 15.2) | 54 |
| 10. | Provision of metering information to the pricing manager in accordance with subpart 4 of Part 13 (clause 15.38(1)(f)) | 55 |
| 10.1. | Generators to provide HHR metering information (Clause 13.136)..... | 55 |
| 10.2. | Unoffered & intermittent generation provision of metering information (Clause 13.137)..... | 55 |
| 10.3. | Loss adjustment of HHR metering information (Clause 13.138) | 56 |
| 10.4. | Notification of the provision of HHR metering information (Clause 13.140)..... | 56 |
| 11. | Provision of submission information for reconciliation | 57 |
| 11.1. | Buying and selling notifications (Clause 15.3) | 57 |
| 11.2. | Calculation of ICP days (Clause 15.6) | 57 |
| 11.3. | Electricity supplied information provision to the reconciliation manager (Clause 15.7)..... | 58 |
| 11.4. | HHR aggregates information provision to the reconciliation manager (Clause 15.8)..... | 59 |
| 12. | Submission computation | 61 |
| 12.1. | Daylight saving adjustment (Clause 15.36)..... | 61 |
| 12.2. | Creation of submission information (Clause 15.4) | 61 |
| 12.3. | Allocation of submission information (Clause 15.5)..... | 62 |
| 12.4. | Grid owner volumes information (Clause 15.9)..... | 62 |
| 12.5. | Provision of NSP submission information (Clause 15.10) | 63 |
| 12.6. | Grid connected generation (Clause 15.11) | 63 |
| 12.7. | Accuracy of submission information (Clause 15.12)..... | 63 |
| 12.8. | Permanence of meter readings for reconciliation (Clause 4 Schedule 15.2) | 64 |
| 12.9. | Reconciliation participants to prepare information (Clause 2 Schedule 15.3)..... | 64 |
| 12.10. | Historical estimates and forward estimates (Clause 3 Schedule 15.3) | 65 |
| 12.11. | Historical estimate process (Clause 4 and 5 Schedule 15.3)..... | 66 |
| 12.12. | Forward estimate process (Clause 6 Schedule 15.3) | 66 |
| 12.13. | Compulsory meter reading after profile change (Clause 7 Schedule 15.3) | 67 |
| 13. | Submission format and timing..... | 68 |
| 13.1. | Provision of submission information to the RM (Clause 8 Schedule 15.3)..... | 68 |
| 13.2. | Reporting resolution (Clause 9 Schedule 15.3)..... | 68 |
| 13.3. | Historical estimate reporting to RM (Clause 10 Schedule 15.3)..... | 69 |
| | Conclusion | 70 |
| | Participant response | 70 |

EXECUTIVE SUMMARY

This reconciliation participant audit was performed at the request of Lighthouse Energy (LITE) to support their application for certification, in accordance with clauses 4 of Schedule 15.1 of The Code 2010. The relevant clauses audited are as required by the Guidelines for Reconciliation Participants Audits V 7.1 issued by the Electricity Authority.

At the time of the audit, Lighthouse Energy was trading 6 ICPs. 3 ICPs were reconciled as HHR and 3 ICPs as NHH. Light Energy uses JC Consulting's services to provide reconciliation services as described in the body in this document. JC Consulting provides such services for a number of small certified traders. These participants are subject to an audit regime which requires the functions performed by JC Consulting to be audited. On 24/08/18 the Authority advised that the use of a participant audit report as an agent report may be an acceptable way of confirming compliance. The Authority stipulated that a letter would be required to confirm that the Orbus Business Services Ltd (ORBS) audit included all the relevant functions conducted by JC Consulting. Lighthouse Energy received such a letter from Veritek therefore we used the Orbus Business Services Ltd reconciliation participant audit dated 6/7/2018 to confirm compliance of the processes in the areas relevant to Lighthouse Energy. We conducted sampling using Lighthouse Energy information to confirm that the processes were used and to verify outcomes.

Chrissy Burrows (Momentous Consulting Ltd) acts as a consultant to support the company in the area of compliance.

The audit found no 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. Table 1 of the Guidelines for Reconciliation Participant audit provides some guidance on this matter. The Future Risk Rating score is 0 which results in an indicative audit frequency of 36 months. It the first reconciliation participant audit for this company but JC Consulting provides reconciliation services and the company works closely with Momentous Consulting as its consultant. Such configuration of the business gives us a confidence that a current level of compliance will be maintain in upcoming months therefore our recommendation for a next audit is 18 months.

We thank Lighthouse Energy and JC Consulting for their full and complete cooperation in this audit.

AUDIT SUMMARY

NON-COMPLIANCES

| Subject | Section | Clause | Non-Compliance | Controls | Audit Risk Rating | Breach Risk Rating | Remedial Action |
|--|---------|--------|---|----------|-------------------|--------------------|---|
| HHR aggregates information provision to the reconciliation manager | 11.4 | 15.8 | HHRAGGR files do not contain electricity supplied information | Strong | Low | 1 | Not required. The Code change required a line up with RN file specification. Breach risk rating excluded from total |
| Future Risk Rating | | | | | | 0 | |

| | | | | | | |
|----------------------------|-----------|-----------|-----------|----------|----------|----------|
| Future risk rating | 0-1 | 1-3 | 4-15 | 16-40 | 41-55 | 56+ |
| Indicative audit frequency | 36 months | 24 months | 18 months | 12months | 6 months | 3 months |

RECOMMENDATIONS

| Subject | Section | Description | Recommendation |
|---------|---------|-------------|----------------|
| | | | Nil |

ISSUES

| Subject | Section | Description | Issue |
|---------|---------|-------------|-------|
| | | | 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

Lighthouse Energy has not applied for any exemptions.

Audit commentary

We checked the Electricity Authority website and confirm that there are no exemptions granted to LITE.

1.2. Structure of Organisation

The company consists of one director Shane Zhan.

1.3. Persons involved in this audit

| Name | Title | Company |
|--------------|--|-------------------|
| Shane Zhan | Director | Lighthouse Energy |
| Ewa Glowacka | Electricity Authority Approved Auditor | TEG & Associates |

1.4. Use of Agents (Clause 15.34)

Code reference

Clause 15.34

Code related audit information

A reconciliation participant who uses an agent

- remains responsible for the contractor's fulfilment of the participant's Code obligations*
- cannot assert that it is not responsible or liable for the obligation due to something the agent has or has not done*

Audit observation

JC Consulting is the agent engaged to deliver Electricity Market settlement files (initial submissions and consecutive revisions) to the reconciliation manager. JC Consulting converts readings into compliant AV-080, AV-090, AV-120 and AV-140 and upload to the RM portal on behalf of Lighthouse Energy. Meter Read Frequency reports are emailed to the Authority. Additional information from the registry (LIS files) and the Reconciliation Manager (seasonal adjustment data) is obtained on LITE's behalf.

Audit commentary

We viewed the signed agreement between JC Consulting and Lighthouse Energy.

1.5. Hardware and Software

Lighthouse will be doing switching via the web interface. The company won't use any specific software to perform tasks covered by this audit.

JC Consulting assists Lighthouse Energy with tasks listed in **section 1.9**.

1.6. Breaches or Breach Allegations

There were no self-breaches and alleged breaches recorded against Lighthouse Energy.

1.7. ICP Data

| Metering Category | (12/11/18) | (date) | (date) |
|-------------------|------------|--------|--------|
| 1 | 6 | | |
| 2 | 0 | | |
| 3 | 0 | | |
| 4 | 0 | | |
| 5 | 0 | | |
| 9 | 0 | | |

| Status | Number of ICPs (12/11/18) | Number of ICPs (date) | Number of ICPs (date) |
|--|---------------------------|-----------------------|-----------------------|
| Active (2,0) | 6 | | |
| Inactive – new connection in progress (1,12) | 0 | | |
| Inactive – electrically disconnected vacant property (1,4) | 0 | | |
| Inactive – electrically disconnected remotely by AMI meter (1,7) | 0 | | |
| Inactive – electrically disconnected at pole fuse (1,8) | 0 | | |
| Inactive – electrically disconnected due to meter disconnected (1,9) | 0 | | |
| Inactive – electrically disconnected at meter box fuse (1,10) | 0 | | |
| Inactive – electrically disconnected at meter box switch (1,11) | 0 | | |
| Inactive – electrically disconnected ready | 0 | | |

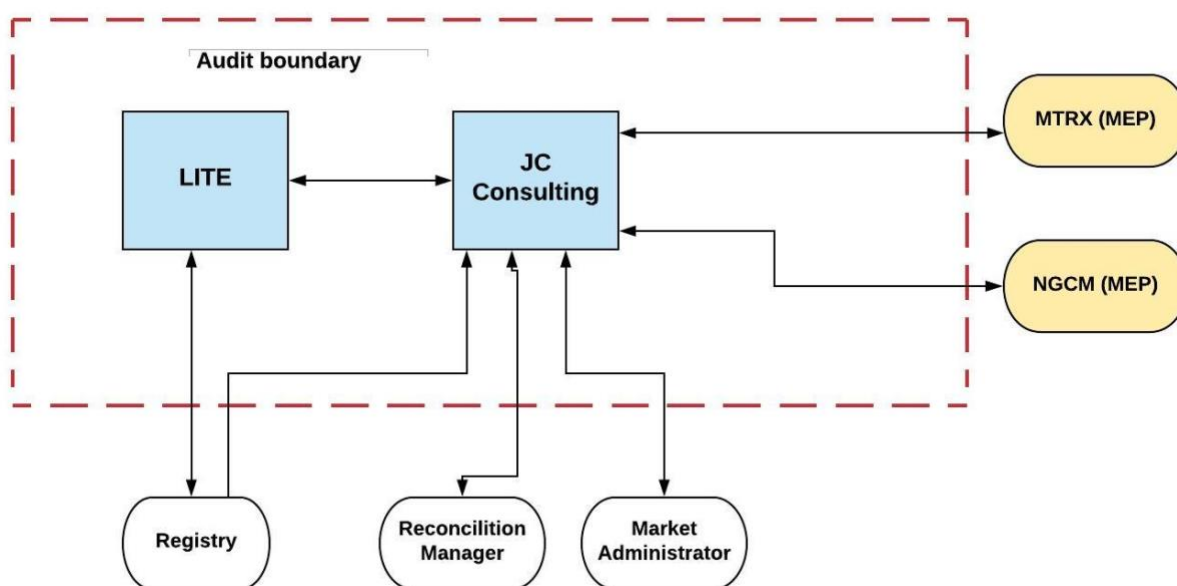
| | | | |
|---------------------------------------|---|--|--|
| for decommissioning (1,6) | | | |
| Inactive – reconciled elsewhere (1,5) | 0 | | |
| Decommissioned (3) | 0 | | |

1.8. Authorisation Received

Lighthouse Energy provided a letter of authorisation to TEG & Associates permitting the collection of data from other parties for matters directly related to the audit.

1.9. Scope of Audit

This reconciliation participant audit was performed at the request of Lighthouse Energy (LITE). Clause 2B of Schedule 15.1 puts the obligation on the reconciliation participant to obtain Authority approval before performing a function listed in clause 15.38(1) without certification. The audit was carried out at 7 The Drive, Epsom, Auckland on 22 November 2018.



The table below shows the tasks under clause 15.38 of part 15 for which Lighthouse Energy requires certification.

| Tasks Requiring Certification Under Clause 15.38(1) of Part 15 | Relevant to audit | Agents Involved in Performance of Tasks |
|---|-------------------|---|
| (a) - Maintaining registry information and performing customer and embedded generator switching | ✓ | |
| (b) – Gathering and storing raw meter data | ✓ | |

| | | |
|--|---|---------------|
| (c)(i) - Creation and management of HHR volume information | ✘ | |
| (c)(ii) - Creation and management of NHH volume information | ✘ | |
| (c)(ii) - Creation and management of HHR and NHH volume information | ✔ | JC Consulting |
| (c)(iv) - Creation and management of dispatchable load information | ✘ | |
| (d)(i) – Calculation and delivery of ICP days under clause 15.6 | ✔ | JC Consulting |
| (d)(ii) - delivery of electricity supplied information under clause 15.7 | ✔ | JC Consulting |
| (d)(iii) - delivery of information from retailer and direct purchaser half hourly metered ICPs under clause 15.8 | ✔ | JC Consulting |
| (e) – Provision of submission information for reconciliation | ✔ | JC Consulting |
| (f) - Provision of metering information to the grid owner in accordance with subpart 4 of part 13 | ✘ | |

1.10. Summary of previous audit

There is no history of a previous audit for this participant. In December 2018 the pre-approval audit for Lighthouse Energy as a reconciliation participant was conducted.

2. OPERATIONAL INFRASTRUCTURE

2.1. Relevant information (Clause 10.6, 11.2, 15.2)

Code reference

Clause 10.6, 11.2, 15.2

Code related audit information

A participant must take all practicable steps to ensure that information that the participant is required to provide is:

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

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

Audit observation

The LIS file dated 12/11/2018 was examined to identify any inaccuracies. The Event Detail (EDA) file for the period 11/03/18 to 31/10/18 was examined to determine how quickly Lighthouse Energy provides information to the registry and corrects information which is identified as inaccurate.

Audit commentary

The LIS file and Metering Installation Information (PR-255) were analysed, the results are shown below:

| Issue | Quantity | Comments |
|---|----------|-------------------------------|
| ICP Status = 002, MEP = blank, UNM Flag = N | 0 | No evidence of this occurring |
| ICP Status = 002, Generation Capacity is not blank, | 0 | No evidence of this occurring |
| Highest Metering Category >2 with residential ANZSIC code assigned (000000) | 0 | No evidence of this occurring |
| ANZSIC code = blank or T994, T994000, T99, T999, T999999, T995, T995000, T997, T997000, T998, T998000 | 0 | No evidence of this occurring |
| ICP with B or G Inst Type, or non-null Fuel or Gen Capacity that do not have a corresponding Injection Register | 0 | No evidence of this occurring |
| Highest Metering Category greater than 2, Submission Type HHR = No | 0 | No evidence of this occurring |
| Highest Metering Category = 9, UNM Flag=N | 0 | No evidence of this occurring |
| All active ICPs with Initial Energisation Date populated during a defined period | 0 | No evidence of this occurring |
| All Active ICPs (ICP Status = 2) with Shared ICP List not blank | 0 | No evidence of this occurring |

| | | |
|--|---|-------------------------------|
| All ICPs at ICP Status 001,12 | 0 | No evidence of this occurring |
| Submission Type HHR = Y, Profile does not contain HH | 0 | No evidence of this occurring |
| Submission Type HHR and Submission Type NHH both = Y | 0 | No evidence of this occurring |
| All active ICPs where Distributor has indicated UML (UML Load Details not NULL) but Retailer has none (UNM Flag = N) | 0 | No evidence of this occurring |
| All active ICPs with UNM Flag = Y | 0 | No evidence of this occurring |
| All active ICPs with load in excess of 6kWh (Daily Unmetered kWh greater than 16.4 daily) | 0 | No evidence of this occurring |
| All active ICPs with load between 3-6k kWh (Daily Unmetered kWh between 8.2-16.4 daily) | 0 | No evidence of this occurring |
| All active ICPs with Engineered profile (Daily Unmetered kWh = ENG) | 0 | No evidence of this occurring |

Information provided to the registry is complete and accurate.

Audit outcome

Compliant

2.2. Provision of information (Clause 15.35)

Code reference

Clause 15.35

Code related audit information

If an obligation exists to provide information in accordance with Part 15, a participant must deliver that information to the required person within the timeframe specified in the Code, or, in the absence of any such timeframe, within any timeframe notified by the Authority. Such information must be delivered in the format determined from time to time by the Authority.

Audit observation

Processes to provide information to the reconciliation manager were reviewed and assessed throughout this document. JC Consulting acts as the agent for Lighthouse Energy to provide information in accordance with Part 15.

Audit commentary

Compliance with this area was discussed in a number of relevant sections. Compliance was confirmed with regards to timeliness and format of information in accordance with Part 15.

Audit outcome

Compliant

2.3. Data transmission (Clause 20 Schedule 15.2)

Code reference

Clause 20 Schedule 15.2

Code related audit information

Transmissions and transfers of data related to metering information between reconciliation participants or their agents, for the purposes of the Code, must be carried out electronically using systems that ensure the security and integrity of the data transmitted and received.

Audit observation

Metering data is provided by the MEPs, AMS and MTRX to JC Consulting.

Audit commentary

The exchange of data between Lighthouse Energy and JC Consulting is via Dropbox. The transfer of reconciliation files is via the RM portal.

Audit outcome

Compliant

2.4. Audit trails (Clause 21 Schedule 15.2)

Code reference

Clause 21 Schedule 15.2

Code related audit information

Each reconciliation participant must ensure that a complete audit trail exists for all data gathering, validation, and processing functions of the reconciliation participant.

The audit trail must include details of information:

- *provided to and received from the registry manager*
- *provided to and received from the reconciliation manager*
- *provided and received from other reconciliation participants and their agents.*

The audit trail must cover all archived data in accordance with clause 18.

The logs of communications and processing activities must form part of the audit trail, including if automated processes are in operation.

Logs must be printed and filed as hard copy or maintained as data files in a secure form, along with other archived information.

The logs must include (at a minimum) the following:

- *an activity identifier (clause 21(4)(a))*
- *the date and time of the activity (clause 21(4)(b))*
- *the operator identifier (clause 21(4)(c)).*

Audit observation

We checked the audit trail for all data gathering, validation, and correction. JC Consulting retains an audit trail of downloading data via FileZilla. The audit trail of reconciliation files is recorded by the RM portal. The audit trail of data validation, estimation and creation of reconciliation files is recorded in the RM TOOL.

Audit commentary

All functions conducted by Lighthouse Energy or their agent have compliant audit trails of all activities.

Audit outcome

Compliant

2.5. Retailer responsibility for electricity conveyed - participant obligations (Clause 10.4)

Code reference

Clause 10.4

Code related audit information

If a participant must obtain a consumer's consent, approval, or authorisation, the participant must ensure it:

- *extends to the full term of the arrangement*
- *covers any participants who may need to rely on that consent.*

Audit observation

LITE provided a copy of the Terms and Conditions which was reviewed by the Authority.

Audit commentary

The Terms and Conditions provide relative information for a customer to meet the requirements of this clause.

Audit outcome

Compliant

2.6. Retailer responsibility for electricity conveyed - access to metering installations (Clause 10.7(2), (4), (5) and (6))

Code reference

Clause 10.7(2), (4), (5) and (6)

Code related audit information

The responsible reconciliation participant must, if requested, arrange access for the metering installation to the following parties:

- *the Authority*
- *an ATH*
- *an auditor*
- *an MEP*
- *a gaining metering equipment provider.*

The trader must use its best endeavours to provide access:

- *in accordance with any agreements in place*
- *in a manner and timeframe which is appropriate in the circumstances.*

If the trader has a consumer, the trader must obtain authorisation from the customer for access to the metering installation, otherwise it must arrange access to the metering installation.

The reconciliation participant must provide any necessary facilities, codes, keys or other means to enable the party to obtain access to the metering installation by the most practicable means.

Audit observation

Lighthouse Energy provided their Terms and Conditions dated 8 August 2017.

Audit commentary

A copy of the Terms and Conditions was sighted and contains required information for access arrangements. It is covered in section 7 “Access to property”.

Audit outcome

Compliant

2.7. Physical location of metering installations (Clause 10.35(1) & (2))

Code reference

Clause 10.35(1) & (2)

Code related audit information

A reconciliation participant responsible for ensuring there is a category 1 metering installation or category 2 metering installation must ensure that the metering installation is located as physically close to a point of connection as practical in the circumstances.

A reconciliation participant responsible for ensuring there is a category 3 or higher metering installation must:

- a) if practical in the circumstances, ensure that the metering installation is located at a point of connection; or*
- b) if it is not practical in the circumstances to locate the metering installation at the point of connection, calculate the quantity of electricity conveyed through the point of connection using a loss compensation process approved by the certifying ATH.*

Audit observation

All metering installations traded by Lighthouse Energy are category 1.

Audit commentary

Based on the category of metering installations (1) traded by Lighthouse Energy we confirm compliance. Lighthouse Energy is not responsible for any metering installations with loss compensation factors.

Audit outcome

Compliant

2.8. Trader contracts to permit assignment by the Authority (Clause 11.15B)

Code reference

Clause 11.15B

Code related audit information

A trader must at all times ensure that the terms of each contract between a customer and a trader permit:

- the Authority to assign the rights and obligations of the trader under the contract to another trader if the trader commits an event of default under paragraph (a) or (b) or (f) or (h) of clause 14.41 (clause 11.15B(1)(a)); and*
- the terms of the assigned contract to be amended on such an assignment to—*
- the standard terms that the recipient trader would normally have offered to the customer immediately before the event of default occurred (clause 11.15B(1)(b)(i)); or*
- such other terms that are more advantageous to the customer than the standard terms, as the recipient trader and the Authority agree (clause 11.15B(1)(b)(ii)); and*

- *the terms of the assigned contract to be amended on such an assignment to include a minimum term in respect of which the customer must pay an amount for cancelling the contract before the expiry of the minimum term (clause 11.15B(1)(c)); and*
- *the trader to provide information about the customer to the Authority and for the Authority to provide the information to another trader if required under Schedule 11.5 (clause 11.15B(1)(d)); and*
- *the trader to assign the rights and obligations of the trader to another trader (clause 11.15B(1)(e)).*

The terms specified in subclause (1) must be expressed to be for the benefit of the Authority for the purposes of the Contracts (Privacy) Act 1982, and not be able to be amended without the consent of the Authority (clause 11.15B (2)).

Audit observation

Lighthouse Energy provided their Terms and Conditions dated 8 August 2017.

Audit commentary

The compliance with this clause is covered in section 9.12 of the Terms and Conditions.

Audit outcome

Compliant

2.9. Connection of an ICP (Clause 10.32)

Code reference

Clause 10.32

Code related audit information

A reconciliation participant must only request the connection of a point of connection if they:

- *accept responsibility for their obligations in Parts 10, 11 and 15 for the point of connection; and*
- *have an arrangement with an MEP to provide 1 or more metering installations for the point of connection.*

Audit observation

Lighthouse Energy will not be dealing with new connections for some time. When LITE decide to take on new connections they will document the process.

Audit commentary

We reviewed the LIS file dated 12/11/ 2018 and confirm no new connections have been traded by the company since the last audit. The company is not planning to trade new installations in the near future.

Audit outcome

Compliant

2.10. Temporary Electrical Connection of an ICP (Clause 10.33(1))

Code reference

Clause 10.33(1)

Code related audit information

A reconciliation participant may temporarily electrically connect a point of connection, or authorise an MEP to temporarily electrically connect a point of connection, only if:

- *they are recorded in the registry as being responsible for the ICP; and*
- *1 or more certified metering installations are in place at the ICP in accordance with Part 10; and*
- *for an ICP that has not previously been electrically connected, the network owner has given written approval.*

Audit observation

As described in **section 2.9**, Lighthouse Energy will not be dealing with new connections in the near future.

Audit commentary

Compliance was not assessed because there were no new connections.

Audit outcome

Not applicable

2.11. Electrical Connection of Point of Connection (Clause 10.33A)

Code reference

Clause 10.33A (1)

Code related audit information

A reconciliation participant may electrically connect or authorise the electrical connection of a point of connection only if:

- *they are recorded in the registry as being responsible for the ICP; and*
- *1 or more certified metering installations are in place at the ICP in accordance with Part 10; and*
- *for an ICP that has not previously been electrically connected, the network owner has given written approval.*

Audit observation

As described in **section 2.9**, Lighthouse Energy will not be dealing with new connections in the near future.

Audit commentary

The process as such is not documented. The document “Additional Process Information” lists those processes, that are not included in other processes, that are of a nature that do not require a full document to be created or will be drafted up at a later date. When Lighthouse Energy decides to take on new connections they will document the process.

Audit outcome

Not applicable

2.12. Arrangements for line function services (Clause 11.16)

Code reference

Clause 11.16

Code related audit information

Before providing the registry manager with any information in accordance with clause 11.7(2) or clause 11.18(4), a trader must ensure that it, or its customer, has made any necessary arrangements for the provision of line function services in relation to the relevant ICP

Before providing the registry manager with any information in accordance with clause 11.7(2) or clause 11.18(4), a trader must have entered into an arrangement with an MEP for each metering installation at the ICP.

Audit observation

Lighthouse Energy has an arrangement with Vector and AMS and MTRX. Agreements are always in place before any ICP is switched in.

Audit commentary

Lighthouse Energy demonstrated the existence of UoSA with Vector and MEPs.

Audit outcome

Compliant

2.13. Arrangements for metering equipment provision (Clause 10.36)

Code reference

Clause 10.36

Code related audit information

A reconciliation participant must ensure it has an arrangement with the relevant MEP prior to accepting responsibility for an installation.

Audit observation

Lighthouse Energy provided a copy of signed agreements with Metrix, AMs, and FCLM.

Audit commentary

Compliance confirmed based on a review of the relevant documents.

Audit outcome

Compliant

3. MAINTAINING REGISTRY INFORMATION

3.1. Obtaining ICP identifiers (Clause 11.3)

Code reference

Clause 11.3

Code related audit information

The following participants must, before assuming responsibility for certain points of connection on a local network or embedded network, obtain an ICP identifier for the point of connection:

- a) a trader who has agreed to purchase electricity from an embedded generator or sell electricity to a consumer*
- b) an embedded generator who sells electricity directly to the clearing manager*
- c) a direct purchaser connected to a local network or an embedded network*
- d) an embedded network owner in relation to a point of connection on an embedded network that is settled by differencing*
- e) a network owner in relation to a shared unmetered load point of connection to the network owner's network*
- f) a network owner in relation to a point of connection between the network owner's network and an embedded network.*

ICP identifiers must be obtained for points of connection at which any of the following occur:

- a consumer purchases electricity from a trader 11.3(3)(a)*
- a trader purchases electricity from an embedded generator 11.3(3)(b)*
- a direct purchaser purchases electricity from the clearing manager 11.3(3)(c)*
- an embedded generator sells electricity directly to the clearing manager 11.3(3)(d)*
- a network is settled by differencing 11.3(3)(e)*
- there is a distributor status ICP on the parent network point of connection of an embedded network or at the point of connection of shared unmetered load. 11.3(3)(f)*

Audit observation

As described in **section 2.9**, Lighthouse Energy does not trade new connections. The LIS file dated 12/11/18 2018 was analysed.

Audit commentary

Analysis of the LIS file confirmed that Lighthouse Energy only trades in already established connections. When LITE decide to take on new connections they will document the process.

Audit outcome

Compliant

3.2. Providing registry information (Clause 11.7(2))

Code reference

Clause 11.7(2)

Code related audit information

Each trader must provide information to the registry manager about each ICP at which it trades electricity in accordance with Schedule 11.1.

Audit observation

According to the process, the company checks each ICPs information in the registry before the ICP is accepted.

Audit commentary

We analysed the LIS file and confirm that the company provided all information to the registry for installations at which they trade energy.

Audit outcome

Compliant

3.3. Changes to registry information (Clause 10 Schedule 11.1)

Code reference

Clause 10 Schedule 11.1

Code related audit information

If information provided by a trader to the registry manager about an ICP changes, the trader must provide written notice to the registry manager of the change no later than 5 business days after the change.

Audit observation

We reviewed the EDA file for the period 11/03/18 to 31/10/18

Audit commentary

Analysis of the EDA file showed that there were no changes to information in the registry recorded for Lighthouse ICPs. The company are well aware of their obligations in this area.

Audit outcome

Compliant

3.4. Trader responsibility for an ICP (Clause 11.18)

Code reference

Clause 11.18

Code related audit information

A trader becomes responsible for an ICP when the trader is recorded in the registry as being responsible for the ICP.

A trader ceases to be responsible for an ICP if:

- *another trader is recorded in the registry as accepting responsibility for the ICP (clause 11.18(2)(a)); or*
- *the ICP is decommissioned in accordance with clause 20 of Schedule 11.1 (clause 11.18(2)(b)).*
- *if an ICP is to be decommissioned, the trader who is responsible for the ICP must (clause 11.18(3)):*
 - o *arrange for a final interrogation to take place prior to or upon meter removal (clause 11.18(3)(a)); and*
 - o *advise the MEP responsible for the metering installation of the decommissioning (clause 11.18(3)(b)).*

A trader who is responsible for an ICP (excluding UML) must ensure that an MEP is recorded in the registry for that ICP (clause 11.18(4)).

A trader must not trade at an ICP (excluding UML) unless an MEP is recorded in the registry for that ICP (clause 11.18(5)).

Audit observation

The LIS file dated 12/11/ 2018 was analysed and we confirm that all ICPs have a MEP recorded in the registry.

Audit commentary

Lighthouse Energy fully understand that as soon as they are recorded in the registry as accepting responsibility, the responsibility will cease only when an ICP switches out to another trader and its code is recorded in the registry.

There were no ICPs marked as ``ready for decommissioning”.

Audit outcome

Compliant

3.5. Provision of information to the registry manager (Clause 9 Schedule 11.1)

Code reference

Clause 9 Schedule 11.1

Code related audit information

Each trader must provide the following information to the registry manager for each ICP for which it is recorded in the registry as having responsibility:

- a) the participant identifier of the trader, as approved by the Authority (clause 9(1)(a))*
- b) the profile code for each profile at that ICP, as approved by the Authority (clause 9(1)(b))*
- c) the metering equipment provider for each category 1 metering or higher (clause 9(1)(c))*
- d) the type of submission information the trader will provide to the RM for the ICP (clause 9(1) (ea))*
- e) if a settlement type of UNM is assigned to that ICP, either:*
 - the code ENG if the load is profiled through an engineering profile in accordance with profile class 2.1 (clause 9(1)(f)(i)); or*
 - in all other cases, the daily average kWh of unmetered load at the ICP (clause 9(1)(f)(ii)).*
 - the type and capacity of any unmetered load at each ICP (clause 9(1)(g))*
 - the status of the ICP, as defined in clauses 12 to 20 (clause 9(1)(j))*
 - except if the ICP exists for the purposes of reconciling an embedded network or the ICP has distributor status, the trader must provide the relevant business classification code applicable to the customer (clause 9(1)(k)).*

The trader must provide information specified in (a) to (j) above within 5 business days of trading (clause 9(2)).

The trader must provide information specified in 9(1)(k) no later than 20 business days of trading (clause 9(3))

Audit observation

Process documentation was evaluated. We also analysed the LIS file dated 12/11/18 and EDA files for the period of 11/03/18 to 31/10/18.

Audit commentary

The analyses of the EDA files showed that Lighthouse Energy provided all required information to the registry within the timeframe set out in this clause.

Audit outcome

Compliant

3.6. ANZSIC codes (Clause 9 (1(k) of Schedule 11.1)

Code reference

Clause 9 (1(k) of Schedule 11.1

Code related audit information

Traders are responsible to populate the relevant ANZSIC code for all ICPs for which they are responsible.

Audit observation

We analysed the LIS file dated 12/11/18.

Audit commentary

A review of the LIS file found that all ICPs had a valid ANZSIC code. We checked all ICPs and found the assigned code was correct.

Audit outcome

Compliant

3.7. Changes to unmetered load (Clause 9(1)(f) of Schedule 11.1)

Code reference

Clause 9(1)(f) of Schedule 11.1

Code related audit information

if a settlement type of UNM is assigned to that ICP, the trader must populate:

the code ENG - if the load is profiled through an engineering profile in accordance with profile class 2.1 (clause 9(1)(f)(i)); or

the daily average kWh of unmetered load at the ICP - in all other cases (clause 9(1)(f)(ii)).

Audit observation

The process for managing unmetered load was examined. The LIS file was analysed.

Audit commentary

According to the documentation provided by Lighthouse Energy, it is not their intention to take on unmetered ICPs. If UML is found at a later date, LITE will have a discussion with the customer regarding having metering put in place or switching to another retailer. If this is not possible they will have JC Consulting create consumption based on the daily kWh information either from the distributor or the customer. LITE will update the registry with the required (or as much as we have at hand) UML information immediately on finding any UML.

Audit outcome

Compliant

3.8. Management of “active” status (Clause 17 Schedule 11.1)

Code reference

Clause 17 Schedule 11.1

Code related audit information

The ICP status of “active” is managed by the relevant trader and indicates that:

- the associated electrical installations are electrically connected (clause 17(1)(a))
- the trader must provide information related to the ICP in accordance with Part 15, to the reconciliation manager for the purpose of compiling reconciliation information (clause 17(1)(b)).

Before an ICP is given the “active” status, the trader must ensure that:

- the ICP has only 1 customer, embedded generator, or direct purchaser (clause 17(2)(a))
- the electricity consumed is quantified by a metering installation or a method of calculation approved by the Authority (clause 17(2)(b)).

Audit observation

The LIS file and EDA files were examined. The process for status change was discussed during the audit.

Audit commentary

The LIS file showed that all ICPs have the status “active” assigned. All installations were metered by certified installations. A review of the EDA file confirmed that there have been no status changes to “active” during the period covered by this audit.

Audit outcome

Compliant

3.9. Management of “inactive” status (Clause 19 Schedule 11.1)

Code reference

Clause 19 Schedule 11.1

Code related audit information

The ICP status of “inactive” must be managed by the relevant trader and indicates that:

- electricity cannot flow at that ICP (clause 19(a)); or
- submission information related to the ICP is not required by the reconciliation manager for the purpose of compiling reconciliation information (clause 19(b)).

Audit observation

The LIS file and EDA files were examined. The process for status change was discussed during the audit, it is documented in “Additional Process Information”.

Audit commentary

A review of the EDA file confirmed that there have been no status changes to “inactive” during the period covered by this audit.

Audit outcome

Compliant

3.10. ICPs at new or ready status for 24 months (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 "Ready" for 24 calendar months or more, the distributor must ask the trader whether it should continue to have that status, and must decommission the ICP if the trader advises the ICP should not continue to have that status.

Audit observation

It is a distributor's obligation to monitor an ICP which has had the status of "New" or "Ready" for 24 calendar months or more. It is expected that a trader be able to respond to such queries from distributors.

Audit commentary

Lighthouse Energy has not received such a query from any distributor because the company does not trade new connections.

Audit outcome

Not applicable

4. PERFORMING CUSTOMER AND EMBEDDED GENERATOR SWITCHING

4.1. Inform registry of switch request for ICPs - standard switch (Clause 2 Schedule 11.3)

Code reference

Clause 2 Schedule 11.3

Code related audit information

The standard switch process applies where a trader and a customer or embedded generator enters into an arrangement in which the trader commences trading electricity with the customer or embedded generator at a non-half hour or unmetered ICP at which another trader supplies electricity, or the trader assumes responsibility for such an ICP.

If the uninvited direct sale agreement applies to an arrangement described above, the gaining trader must identify the period within which the customer or embedded generator may cancel the arrangement in accordance with section 36M of the Fair-Trading Act 1986. The arrangement is deemed to come into effect on the day after the expiry of that period.

A gaining trader must advise the registry manager of a switch no later than 2 business days after the arrangement comes into effect and include in its advice to the registry manager that the switch type is TR and 1 or more profile codes associated with that ICP.

Audit observation

Lighthouse Energy provided the Event Listing file (EDA) and the Switch Breach History details report for the time period. The standard switch process was examined.

Audit commentary

Lighthouse Energy had 6 standard switches in the period covered by this audit. 6 NTTR were sent. Lighthouse Energy uses the registry web interface to conduct switching,

Audit outcome

Compliant

4.2. Losing trader response to switch request and event dates - standard switch (Clauses 3 and 4 Schedule 11.3)

Code reference

Clauses 3 and 4 Schedule 11.3

Code related audit information

Within 3 business days after receiving notice of a switch from the registry manager, the losing trader must establish a proposed event date. The event date must be no more than 10 business days after the date of receipt of such notification, and in any 12 month period, at least 50% of the event dates must be no more than 5 business days after the date of notification. The losing trader must then:

- *provide acknowledgement of the switch request by (clause 3(a) of Schedule 11.3):*
- *providing the proposed event date to the registry manager and a valid switch response code (clause 3(a)(i) and (ii) of Schedule 11.3); or*
- *providing a request for withdrawal of the switch in accordance with clause 17 (clause 3(c) of Schedule 11.3).*

When establishing an event date for clause 4, the losing trader must disregard every event date established by the losing trader for a customer who has been with the losing trader for less than 2 calendar months (clause 4(2) of Schedule 11.3).

Audit observation

Lighthouse Energy provided the Event Listing file (EDA) and the Switch Breach History details report for the time period. The standard switch process was examined.

Audit commentary

We reviewed the switching documentation which is thorough and easy to follow. Lighthouse Energy has sent AN file for 0421926880LC15B to a gaining trader within the timeframe specified by this clause.

Audit outcome

Compliant

4.3. Losing trader must provide final information - standard switch (Clause 5 Schedule 11.3)

Code reference

Clause 5 Schedule 11.3

Code related audit information

If the losing trader provides information to the registry manager in accordance with clause 3(a) of Schedule 11.3 with the required information, no later than 5 business days after the event date, the losing trader must complete the switch by:

- *providing event date to the registry manager (clause 5(a)); and*
- *provide to the gaining trader a switch event meter reading as at the event date, for each meter or data storage device that is recorded in the registry with accumulator of C and a settlement indicator of Y (clause 5(b)); and*
- *if a switch event meter reading is not a validated reading, provide the date of the last meter reading (clause 5(c)).*

Audit observation

Lighthouse Energy provided the Event Listing file (EDA) and the Switch Breach History details report for the time period. The standard switch process was examined.

Audit commentary

We reviewed the switching documentation which is thorough and easy to follow. Lighthouse Energy has sent CS file for 0421926880LC15B to a gaining trader within the timeframe specified by this clause.

Audit outcome

Compliant

4.4. Retailers must use same reading - standard switch (Clause 6(1) and 6A Schedule 11.3)

Code reference

Clause 6(1) and 6A Schedule 11.3

Code related audit information

The losing trader and the gaining trader must both use the same switch event meter reading as determined by the following procedure:

- *if the switch event meter reading provided by the losing trader differs by less than 200 kWh from a value established by the gaining trader, the gaining trader must use the losing trader's validated meter reading or permanent estimate (clause 6(a)); or*

- *the gaining trader may dispute the switch meter reading if the validated meter reading or permanent estimate provided by the losing trader differs by 200 kWh or more. (clause 6(b)).*

If the gaining trader disputes a switch meter reading because the switch event meter reading provided by the losing trader differs by 200 kWh or more, the gaining trader must, within 4 calendar months of the actual event date, provide to the losing trader a changed switch event meter reading supported by 2 validated meter readings.

- *the losing trader can choose not to accept the reading, however must advise the gaining trader no later than 5 business days after receiving the switch event meter reading from the gaining trader (clause 6A(a)); or*
- *if the losing trader notifies its acceptance or does not provide any response, the losing trader must use the switch event meter reading supplied by the gaining trader. (clause 6A(b)).*

Audit observation

The EDA file for the period of the audit was reviewed. The process for management of the switch event meter reading was examined during ORBS reconciliation participant audit and found compliant.

Audit commentary

Overall Lighthouse Energy received 6 CS files from losing traders. The company policy is to switch in a new ICP as NHH; it makes it easier to achieve compliance with clause 6(1) of Schedule 11.1.

We reviewed three CS files and confirm that switch event meter readings provided by losing traders were recorded in the RM TOOL and used for submissions to the RM. Lighthouse Energy neither received nor sent any RR files.

Audit outcome

Compliant

4.5. Non-half hour switch event meter reading - standard switch (Clause 6(2) and (3) Schedule 11.3)

Code reference

Clause 6(2) and (3) Schedule 11.3

Code related audit information

If the losing trader trades electricity from a non-half hour meter, with a switch event meter reading that is not from an AMI certified meter flagged Y in the registry: and

- *the gaining trader will trade electricity from a meter with a half hour submission type in the registry (clause 6(2)(b));*
- *the gaining trader within 5 business days after receiving final information from the registry manager, may provide the losing trader with a switch event meter reading from that meter. The losing trader must use that switch event meter reading.*

Audit observation

The EDA file for the period of the audit was reviewed.

Audit commentary

As stated in **section 4.4**, Lighthouse Energy always gains new ICPs as NHH. The process prescribed in this clause was not used.

Audit outcome

Compliant

4.6. Disputes - standard switch (Clause 7 Schedule 11.3)

Code reference

Clause 7 Schedule 11.3

Code related audit information

A losing trader or gaining trader may give written notice to the other that it disputes a switch event meter reading provided under clauses 1 to 6. Such a dispute must be resolved in accordance with clause 15.29 (with all necessary amendments).

Audit observation

There were no disputes with a losing trader. If such a situation were to occur in the future it would be resolved in accordance with this clause.

Audit commentary

Lighthouse Energy confirmed that no disputes occurred in the period covered by this audit which would require a resolution. Lighthouse Energy stated that they will not decline to accept another traders' validated meter reading or permanent estimate if they are reasonable and appropriate in the applicable circumstances.

Audit outcome

Compliant

4.7. Gaining trader informs registry of switch request - switch move (Clause 9 Schedule 11.3)

Code reference

Clause 9 Schedule 11.3

Code related audit information

The switch move process applies where a gaining trader has an arrangement with a customer or embedded generator to trade electricity at an ICP using non half-hour metering or an unmetered ICP, or to assume responsibility for such an ICP, and no other trader has an agreement to trade electricity at that ICP, this is referred to as a switch move and the following provisions apply:

If the "uninvited direct sale agreement" applies, the gaining trader must identify the period within which the customer or embedded generator may cancel the arrangement in accordance with section 36M of the Fair Trading Act 1986. The arrangement is deemed to come into effect on the day after the expiry of that period.

In the event of a switch move, the gaining trader must advise the registry manager of a switch and the proposed event date no later than 2 business days after the arrangement comes into effect.

In its advice to the registry manager the gaining trader must include:

- *a proposed event date (clause 9(2)(a)); and*
- *that the switch type is "MI" (clause 9(2)(b)); and*
- *one or more profile codes of a profile at the ICP. (clause 9(2)(c))*

Audit observation

Lighthouse Energy provided the Event Listing file (EDA) and the Switch Breach History detail report for the time period. The switch move process was examined, we found it compliant.

Audit commentary

Lighthouse Energy sent one NTMI.

Audit outcome

Compliant

4.8. Losing trader provides information - switch move (Clause 10(1) Schedule 11.3)

Code reference

Clause 10(1) Schedule 11.3

Code related audit information

10(1) Within 5 business days after receiving notice of a switch move request from the registry manager—

- *10(1)(a) If the losing trader accepts the event date proposed by the gaining trader, the losing trader must complete the switch by providing to the registry manager:
 - o *confirmation of the switch event date; and*
 - o *a valid switch response code; and*
 - o *final information as required under clause 11; or**
- *10(1)(b) If the losing trader does not accept the event date proposed by the gaining trader, the losing trader must acknowledge the switch request to the registry manager and determine a different event date that—
 - o *is not earlier than the gaining trader’s proposed event date, and*
 - o *is no later than 10 business days after the date the losing trader receives notice; or**
- *10(1)(c) request that the switch be withdrawn in accordance with clause 17.*

Audit observation

Lighthouse Energy provided the Event Listing file (EDA) and the Switch Breach History detail report for the time period. The switch move process was examined, we found it compliant.

Audit commentary

Lighthouse Energy has not sent any AN files to a gaining trader, therefore the process has not been applied yet.

Audit outcome

Compliant

4.9. Losing trader determines a different date - switch move (Clause 10(2) Schedule 11.3)

Code reference

Clause 10(2) Schedule 11.3

Code related audit information

If the losing trader determines a different date, the losing trader must also complete the switch by providing to the registry manager as described in subclause (1)(a):

- *the event date proposed by the losing trader; and*
- *a valid switch response code; and*
- *final information as required under clause 1.*

Audit observation

Lighthouse Energy provided the Event Listing file (EDA). The switch move process was examined, we found it compliant.

Audit commentary

Lighthouse Energy has not sent any AN files to a gaining trader, therefore the process has not been applied yet.

Audit outcome

Compliant

4.10. Losing trader must provide final information - switch move (Clause 11 Schedule 11.3)

Code reference

Clause 11 Schedule 11.3

Code related audit information

The losing trader must provide final information to the registry manager for the purposes of clause 10(1)(a)(ii), including—

- *the event date (clause 11(a)); and*
- *a switch event meter reading as at the event date for each meter or data storage device that is recorded in the registry with an accumulator type of C and a settlement indicator of Y (clause 11(b)); and*
- *if the switch event meter reading is not a validated meter reading, the date of the last meter reading of the meter or storage device. (clause (11(c)).*

Audit observation

Lighthouse Energy provided the Event Listing file (EDA). The switch move process was examined, we found it compliant.

Audit commentary

Lighthouse Energy has not lost any ICP using switch move process.

Audit outcome

Compliant

4.11. Gaining trader changes to switch meter reading - switch move (Clause 12 Schedule 11.3)

Code reference

Clause 12 Schedule 11.3

Code related audit information

The gaining trader may use the switch event meter reading supplied by the losing trader or may, at its own cost, obtain its own switch event meter reading. If the gaining trader elects to use this new switch event meter reading, the gaining trader must advise the losing trader of the switch event meter reading and the actual event date to which it refers as follows:

- *if the switch meter reading established by the gaining trader differs by less than 200 kWh from that provided by the losing trader, both traders must use the switch event meter reading provided by the gaining trader (clause 12(2)(a)); or*
- *if the switch event meter reading provided by the losing trader differs by 200 kWh or more from a value established by the gaining trader, the gaining trader may dispute the switch meter reading. In this case, the gaining trader, within 4 calendar months of the actual event date, must provide to the losing trader a changed validated meter reading or a permanent estimate supported by 2 validated meter readings and the losing trader must either (clause 12(2)(b) and clause 12(3)):*

- *advise the gaining trader if it does not accept the switch event meter reading and the losing trader and the gaining trader must resolve the dispute in accordance with the disputes procedure in clause 15.29 (with all necessary amendments) (clause 12(3)(a)); or*
- *if the losing trader notifies its acceptance or does not provide any response, the losing trader must use the switch event meter reading supplied by the gaining trader. (clause 12(3)(b)).*

12(2A) If the losing trader trades electricity from a non-half hour meter, with a switch event meter reading that is not from an AMI certified meter flagged Y in the registry,

- *the gaining trader will trade electricity from a meter with a half hour submission type in the registry (clause 12(2A) (b));*
- *the gaining trader no later than 5 business days after receiving final information from the registry manager, may provide the losing trader with a switch event meter reading from that meter. The losing trader must use that switch event meter reading. (clause 12(2B)).*

Audit observation

Lighthouse Energy provided the Event Listing file (EDA). The switch move process was examined.

Audit commentary

Lighthouse Energy has not lost any ICP using switch move process.

Audit outcome

Compliant

4.12. Gaining trader informs registry of switch request - gaining trader switch (Clause 14 Schedule 11.3)

Code reference

Clause 13 Schedule 11.3

Code related audit information

The gaining trader switch process applies when a trader has an arrangement with a customer or embedded generator to trade electricity through or assume responsibility for:

- *a half hour metering installation (that is not a category 1 or 2 metering installation) at an ICP with a submission type of half hour in the registry and an AMI flag of "N"; or*
- *a half hour metering installation at an ICP that has a submission type of half hour in the registry and an AMI flag of "N" and is traded by the losing trader as non-half hour; or*
- *a non half hour metering installation at an ICP at which the losing trader trades electricity through a half hour metering installation with an AMI flag of "N".*

If the uninvited direct sale agreement applies to an arrangement described above, the gaining trader must identify the period within which the customer or embedded generator may cancel the arrangement in accordance with section 36M of the Fair Trading Act 1986. The arrangement is deemed to come into effect on the day after the expiry of that period.

A gaining trader must advise the registry manager of the switch and expected event date no later than 3 business days after the arrangement comes into effect.

14(2) The gaining trader must include in its advice to the registry manager:

- a) a proposed event date; and*
- b) that the switch type is HH.*

14(3) The proposed event date must be a date that is after the date on which the gaining trader advises the registry manager, unless clause 14(4) applies.

14(4) The proposed event date is a date before the date on which the gaining trader advised the registry manager, if:

14(4)(a) – the proposed event date is in the same month as the date on which the gaining trader advised the registry manager; or

14(4)(b) – the proposed event date is no more than 90 days before the date on which the gaining trader advises the registry manager and this date is agreed between the losing and gaining traders.

Audit observation

Lighthouse Energy provided the Event Listing file (EDA) and the Switch Breach History details report for the time period. This type of switch was not used.

Audit commentary

The process is not yet documented but the company understand the mechanism of this switch and it is different from standard switch. Their target market will be residential customers (category 1 metering installations).

Audit outcome

Compliant

4.13. Losing trader provision of information - gaining trader switch (Clause 15 Schedule 11.3)

Code reference

Clause 15 Schedule 11.3

Code related audit information

Within 3 business days after the losing trader is informed about the switch by the registry manager, the losing trader must:

15(a) - provide to the registry manager a valid switch response code as approved by the Authority; or

15(b) - provide a request for withdrawal of the switch in accordance with clause 17.

Audit observation

Lighthouse Energy provided the Event Listing file (EDA) and the Switch Breach History detail report for the time period.

Audit commentary

No gaining trader switches occurred during the period of this audit.

Audit outcome

Compliant

4.14. Gaining trader to advise the registry manager - gaining trader switch (Clause 16 Schedule 11.3)

Code reference

Clause 16 Schedule 11.3

Code related audit information

The gaining trader must complete the switch no later than 3 business days, after receiving the valid switch response code, by advising the registry manager of the event date.

If the ICP is being electrically disconnected, or if metering equipment is being removed, the gaining trader must either-

16(a)- give the losing trader or MEP for the ICP an opportunity to interrogate the metering installation immediately before the ICP is electrically disconnected or the metering equipment is removed; or

16(b)- carry out an interrogation and, no later than 5 business days after the metering installation is electrically disconnected or removed, advise the losing trader of the results and metering component numbers for each data channel in the metering installation.

Audit observation

Lighthouse Energy is not planning to use this type of switch. Their target market will be residential customers (category 1 metering installations).

Audit commentary

No gaining trader switches occurred during the period of this audit.

Audit outcome

Compliant

4.15. Withdrawal of switch requests (Clauses 17 and 18 Schedule 11.3)

Code reference

Clauses 17 and 18 Schedule 11.3

Code related audit information

A losing trader or gaining trader may request that a switch request be withdrawn at any time until the expiry of 2 calendar months after the event date of the switch.

If a trader requests the withdrawal of a switch, the following provisions apply:

- *for each ICP, the trader withdrawing the switch request must provide the registry manager with (clause 18(c)):*
 - o *the participant identifier of the trader making the withdrawal request (clause 18(c)(i)); and*
 - o *the withdrawal advisory code published by the Authority. (clause 18(c)(ii))*
- *within 5 business days after receiving notice from the registry manager of a switch, the trader receiving the withdrawal must advise the registry manager that the switch withdrawal request is accepted or rejected. A switch withdrawal request must not become effective until accepted by the trader who received the withdrawal. (clause 18(d))*
- *on receipt of a rejection notice from the registry manager, in accordance with clause 18(d), a trader may re-submit the switch withdrawal request for an ICP in accordance with clause 18(c). All switch withdrawal requests must be resolved within 10 business days after the date of the initial switch withdrawal request. (clause 18(e))*
- *if the trader requests that a switch request be withdrawn, and the resolution of that switch withdrawal request results in the switch proceeding, within 2 business days after receiving notice from the registry manager in accordance with clause 22(b), the losing trader must comply with clauses 3,5,10 and 11 (whichever is appropriate) and the gaining trader must comply with clause 16. (clause 18(f))*

Audit observation

The EDA file was reviewed for the period covered by this audit. We reviewed the switching documentation which we found compliant.

Audit commentary

Lighthouse Energy sent one NW file with reason code "WS" within the timeframe specified by this clause.

Audit outcome

Compliant

4.16. Metering information (Clause 21 Schedule 11.3)

Code reference

Clause 21 Schedule 11.3

Code related audit information

For an interrogation or validated meter reading or permanent estimate carried out in accordance with Schedule 11.3:

21(a)- the trader who carries out the interrogation, switch event meter reading must ensure that the interrogation is as accurate as possible, or that the switch event meter reading is fair and reasonable.

21(b) and (c) - the cost of every interrogation or switch event meter reading carried out in accordance with clauses 5(b) or 11(b) or (c) must be met by the losing trader. The costs in every other case must be met by the gaining trader.

Audit observation

We examined the meter reading process in relation to the switching process. Lighthouse Energy has not lost any ICPs in the period covered by this audit. In the event that an actual read won't be available JC Consulting will calculate an estimate.

Audit commentary

All meter readings used in the switching process will be validated meter readings or estimates.

Audit outcome

Compliant

4.17. Switch saving protection (Clause 11.15AA to 11.15AB)

Code reference

Clause 11.15AA to 11.15AB

Code related audit information

A trader that buys electricity from the clearing manager may elect to have a switch saving protection by giving notice to the Authority in writing.

If a protected trader enters into an arrangement with a customer of another trader (the losing trader), or a trader enters into an arrangement with a customer of a protected trader, to commence trading electricity with the customer, the losing trader must not, by any means, initiate contact with the

customer to attempt to persuade the customer to terminate the arrangement during the period from the receipt of the NT to the event date of the switch including by:

11.15AB(4)(a)- making a counter offer to the customer; or

11.15AB(4)(b)- offering an enticement to the customer.

Audit observation

Lighthouse Energy is not a member of the switch protection program.

Audit commentary

The Win-back process was discussed during the audit. The company policy is not to contact a losing customer to offer “a better deal”.

Audit outcome

Compliant

5. MAINTENANCE OF UNMETERED LOAD

5.1. Maintaining shared unmetered load (Clause 11.14)

Code reference

Clause 11.14

Code related audit information

The trader must adhere to the process for maintaining shared unmetered load as outlined in clause 11.14:

11.14(2) - The distributor must give written notice to the traders responsible for the ICPs across which the unmetered load is shared, of the ICP identifiers of the ICPs.

11.14(3) - A trader who receives such a notification from a distributor must give written notice to the distributor if it wishes to add or omit any ICP from the ICPs across which unmetered load is to be shared.

11.14(4) - A distributor who receives such a notification of changes from the trader under (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.

11.14(5) - If a distributor becomes aware of any 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 as soon as practicable after that change or decommissioning.

11.14(6) - Each trader who receives such a notification must, as soon as practicable after receiving the notification, adjust the unmetered load information for each ICP in the list for which it is responsible to ensure that the entire shared unmetered load is shared equally across each ICP.

11.14(7) - A trader must take responsibility for shared unmetered load assigned to an ICP for which the trader becomes responsible as a result of a switch in accordance with Part 11.

11.14(8) - A trader must not relinquish responsibility for shared unmetered load assigned to an ICP if there would then be no ICPs left across which that load could be shared.

11.14(9) - A trader can change the status of an ICP across which the unmetered load is shared to inactive status, as referred to in clause 19 of Schedule 11.1. In that case, the trader is not required to give written notice to the distributor of the change. The amount of electricity attributable to that ICP becomes UFE.

Audit observation

The LIS file dated 12/11/18 was examined to check if Lighthouse Energy trades shared unmetered load.

Audit commentary

Lighthouse Energy does not intend to take on DUML or SUML in the foreseeable future. If it is found that SUML is associated with an ICP it will be dealt with accordingly. Lighthouse will discuss with the customer the option to have metering put in place or switch to another retailer. If it is not possible to switch out an UML ICP, Lighthouse Energy will ask JC Consulting to create consumption based on the daily kWh information from the distributor.

Audit outcome

Compliant

5.2. Unmetered threshold (Clause 10.14 (2)(b))

Code reference

Clause 10.14 (2)(b)

Code related audit information

The reconciliation participant must ensure that unmetered load does not exceed 3,000 kWh per annum, or 6,000 kWh per annum if the load is predictable and of a type approved and published by the Authority.

Audit observation

The LIS file was examined, and no UML ICPs were identified.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

5.3. Unmetered threshold exceeded (Clause 10.14 (5))

Code reference

Clause 10.14 (5)

Code related audit information

If the unmetered load limit is exceeded the retailer must:

- within 20 business days, commence corrective measure to ensure it complies with Part 10
- within 20 business days of commencing the corrective measure, complete the corrective measures
- no later than 10 business days after it becomes aware of the limit having been exceeded, advise each participant who is or would be expected to be affected of:
 - o the date the limit was calculated or estimated to have been exceeded
 - o the details of the corrective measures that the MEP proposes to take or is taking to reduce the unmetered load.

Audit observation

The LIS file was examined, and no UML ICPs were identified.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

5.4. Distributed unmetered load (Clause 11 Schedule 15.3, Clause 15.37B)

Code reference

Clause 11 Schedule 15.3, Clause 15.37B

Code related audit information

An up-to-date database must be maintained for each type of distributed unmetered load for which the retailer is responsible. The information in the database must be maintained in a manner that the resulting submission information meets the accuracy requirements of clause 15.2.

A separate audit is required for distributed unmetered load data bases.

The database must satisfy the requirements of Schedule 15.5 with regard to the methodology for deriving submission information.

Audit observation

The LIS file was examined and no DUML ICPs were identified.

Audit commentary

This clause is not applicable. Compliance was not assessed.

Audit outcome

Not applicable

6. GATHERING RAW METER DATA

6.1. Electricity conveyed & notification by embedded generators (Clause 10.13, Clause 10.24 and 15.13)

Code reference

Clause 10.13, Clause 10.24 and Clause 15.13

Code related audit information

A participant must use the quantity of electricity measured by a metering installation as the raw meter data for the quantity of electricity conveyed through the point of connection.

This does not apply if data is estimated or gifted in the case of embedded generation under clause 15.13.

A trader must, for each electrically connected ICP that is not also an NSP, and for which it is recorded in the registry as being responsible, ensure that:

- *there is 1 or more metering installations*
- *all electricity conveyed is quantified in accordance with the Code*
- *it does not use subtraction to determine submission information for the purposes of Part 15.*

An embedded generator must give notification to the reconciliation manager for an embedded generating station, if the intention is that the embedded generator will not be receiving payment from the clearing manager or any other person through the point of connection to which the notification relates.

Audit observation

The process for embedded generation was reviewed during ORBS's audit and found compliant. The EDA and LIS files were reviewed for the period covered by this audit.

Audit commentary

All installations traded by Lighthouse Energy are metered. No subtraction is used to determine submission information for the purpose of Part 15.

No installations with embedded generation have been traded yet.

The company stated that their policy is not to instruct the bridging of meters.

Audit outcome

Compliant

6.2. Responsibility for metering at GIP (Clause 10.26 (6), (7) and (8))

Code reference

Clause 10.26 (6), (7) and (8)

Code related audit information

For each proposed metering installation or change to a metering installation that is a connection to the grid, the participant, must:

- *provide to the grid owner a copy of the metering installation design (before ordering the equipment)*
- *provide at least 3 months for the grid owner to review and comment on the design*
- *respond within 3 business days of receipt to any request from the grid owner for additional details or changes to the design*

- ensure any reasonable changes from the grid owner are carried out.

The participant responsible for the metering installation must:

- advise the reconciliation manager of the certification expiry date not later than 10 business days after certification of the metering installation
- become the MEP or contract with a person to be the MEP
- advise the reconciliation manager of the MEP identifier no later than 20 days after entering into a contract or assuming responsibility to be the MEP.

Audit observation

This clause is not applicable to Lighthouse Energy.

Audit commentary

This clause is not applicable to Lighthouse Energy. Compliance was not assessed.

Audit outcome

Not applicable

6.3. Certification of control devices (Clause 33 Schedule 10.7 and clause 2(2) Schedule 15.3)

Code reference

Clause 33 Schedule 10.7 and clause 2(2) Schedule 15.3

Code related audit information

The reconciliation participant must advise the metering equipment provider if a control device is used to control load or switch meter registers.

The reconciliation participant must ensure the control device is certified prior to using it for reconciliation purposes.

Audit observation

The LIS file and reconciliation files were analysed.

Audit commentary

The file analysis showed that Lighthouse Energy submits volumes to the reconciliation manager using RPS and HHR profiles. No control devices are needed therefore the company has never approached a MEP asking for a control device to be certified.

Audit outcome

Compliant

6.4. Reporting of defective metering installations (Clause 10.43(2) and (3))

Code reference

Clause 10.43(2) and (3)

Code related audit information

If a participant becomes aware of an event or circumstance that lead it to believe a metering installation could be inaccurate, defective, or not fit for purpose they must:

- advise the MEP
- include in the advice all relevant details.

Audit observation

The process related to defective installations was examined. Event logs provided by MEPs is monitored by JC Consulting. If an ICP is found to be switched in with bypassed metering, Lighthouse Energy will instruct the MEP to arrange reconnection and provide notification of how long the bypass had been in place to be able to arrange for estimated readings for the period affected.

Audit commentary

JC Consulting is validating data provided by MEPs and running reports to identify anomalies in meter readings, which could indicate defective metering installations. Lighthouse Energy has not identified any metering installations which could be not fit for purpose since the last audit.

Audit outcome

Compliant

6.5. Collection of information by certified reconciliation participant (Clause 2 Schedule 15.2)

Code reference

Clause 2 Schedule 15.2

Code related audit information

Only a certified reconciliation participant may collect raw meter data, unless only the MEP can interrogate the meter, or the MEP has an arrangement which prevents the reconciliation participant from electronically interrogating the meter:

2(2) - The reconciliation participant must collect raw meter data used to determine volume information from the services interface or the metering installation or from the MEP.

2(3) - The reconciliation participant must ensure the interrogation cycle is such that it does not exceed the maximum interrogation cycle in the registry.

2(4) - The reconciliation participant must interrogate the meter at least once every maximum interrogation cycle.

2(5) - When electronically interrogating the meter the participant must:

- a) ensure the system is to within +/- 5 seconds of NZST or NZDST*
- b) compare the meter time to the system time*
- c) determine the time error of the metering installation*
- d) if the error is less than the maximum permitted error, correct the meter's clock*
- e) if the time error is greater than the maximum permitted error then:
 - i) correct the metering installation's clock*
 - ii) compare the metering installation's time with the system time*
 - iii) correct any affected raw meter data.**
- f) download the event log.*

2(6) – The interrogation systems must record:

- the time*
- the date*
- the extent of any change made to the meter clock.*

Audit observation

The data collection process was examined during ORBS's audit and found compliant.

Audit commentary

The data is collected by NGCM and MTRX and passed to JC Consulting, who validates it. Compliance with this clause is validated during the MEPs audit.

Audit outcome

Compliant

6.6. Derivation of meter readings (Clause 3(1), 3(2) and 5 Schedule 15.2)

Code reference

Clause 3(1), 3(2) and 5 Schedule 15.2

Code related audit information

All meter readings must in accordance with the participants certified processes and procedures and using its certified facilities be sourced directly from raw meter data and, if appropriate, be derived and calculated from financial records.

All validated meter readings must be derived from meter readings.

A meter reading provided by a consumer may be used as a validated meter reading only if another set of validated meter readings not provided by the consumer are used during the validation process.

During the manual interrogation of each NHH metering installation the reconciliation participant must:

- a) obtain the meter register*
- b) ensure seals are present and intact*
- c) check for phase failure (if supported by the meter)*
- d) check for signs of tampering and damage*
- e) check for electrically unsafe situations.*

If the relevant parts of the metering installation are visible and it is safe to do so.

Audit observation

The data collection process was examined during ORBS's audit and found compliant. Lighthouse Energy does not read meters themselves. Meters are read by MEPs. There are no plans to accept readings from customers.

Audit commentary

JC Consulting validates readings provided by MEPs when imported into the RM TOOL.

Audit outcome

Compliant

6.7. NHH meter reading application (Clause 6 Schedule 15.2)

Code reference

Clause 6 Schedule 15.2

Code related audit information

For NHH switch event meter reads, for the gaining trader the reading applies from 0000 hours on the day of the relevant event date and for the losing trader at 2400 hours at the end of the day before the relevant event date.

In all other cases, All NHH readings apply from 0000hrs on the day after the last meter interrogation up to and including 2400hrs on the day of the meter interrogation.

Audit observation

The process for the application of meter reading was examined as part of ORBS's audit and found compliant.

Audit commentary

We examine the outcomes of the process in **section 12.11** and found it compliant.

Audit outcome

Compliant

6.8. Interrogate meters once (Clause 7(1) and (2) Schedule 15.2)

Code reference

Clause 7(1) and (2) Schedule 15.2

Code related audit information

Each reconciliation participant must ensure that a validated meter reading is obtained in respect of every meter register for every non half hour metered ICP for which the participant is responsible, at least once during the period of supply to the ICP by the reconciliation participant and used to create volume information.

This may be a validated meter reading at the time the ICP is switched to, or from, the reconciliation participant.

If exceptional circumstances prevent a reconciliation participant from obtaining the validated meter reading, the reconciliation participant is not required to comply with clause 7(1).

Audit observation

The process for missing reads was examined during the ORBS's audit and found compliant. The EDA file was examined to identify ICPs which have switched out since the last audit.

Audit commentary

No ICPs have switched out since the last audit.

Audit outcome

Compliant

6.9. NHH meters interrogated annually (Clause 8(1) and (2) Schedule 15.2)

Code reference

Clause 8(1) and (2) Schedule 15.2

Code related audit information

At least once every 12 months, each reconciliation participant must obtain a validated meter reading for every meter register for non-half hour metered ICPs, at which the reconciliation participant trades continuously for each 12 month period.

If exceptional circumstances prevent a reconciliation participant from obtaining the validated meter reading, the reconciliation participant is not required to comply with clause 8(1).

Audit observation

The process for missing reads was examined during the ORBS's audit and found complaint. We reviewed the Meter Frequency Reports (MRF) for 8 months. The Reports were accurate and submitted to the Authority in time.

Audit commentary

A review of the Meter Frequency Reports confirmed that Lighthouse Energy met the read attainment requirements.

Audit outcome

Compliant

6.10. NHH meters 90% read rate (Clause 9(1) and (2) Schedule 15.2)

Code reference

Clause 9(1) and (2) Schedule 15.2

Code related audit information

In relation to each NSP, each reconciliation participant must ensure that for each NHH ICP at which the reconciliation participant trades continuously for each 4 months, for which consumption information is required to be reported into the reconciliation process. A validated meter reading is obtained at least once every 4 months for 90% of the non half hour metered ICPs.

A report is to be sent to the Authority providing the percentage, in relation to each NSP, for which consumption information has been collected no later than 20 business days after the end of each month.

If exceptional circumstances prevent a reconciliation participant from obtaining the validated meter reading, the reconciliation participant is not required to comply with clause 9(1).

Audit observation

The process for missing reads was examined during the ORBS's audit and found complaint. We reviewed the Meter Frequency Reports (MRF) for 8 months. The Reports were accurate and submitted to the Authority in time.

Audit commentary

A review of the Meter Frequency Reports confirmed that Lighthouse Energy met the read attainment requirements.

Audit outcome

Compliant

6.11. NHH meter interrogation log (Clause 10 Schedule 15.2)

Code reference

Clause 10 Schedule 15.2

Code related audit information

The following information must be logged as the result of each interrogation of the NHH metering:

10(a) - the means to establish the identity of the individual meter reader

10(b) - the ICP identifier of the ICP, and the meter and register identification

10(c) - the method being used for the interrogation and the device ID of equipment being used for interrogation of the meter.

10(d) - the date and time of the meter interrogation.

Audit observation

Meter readings are provided by MTRX.

Audit commentary

Assessment with this clause is part of the MTRX audit.

Audit outcome

Compliant

6.12. HHR data collection (Clause 11(1) Schedule 15.2)

Code reference

Clause 11(1) Schedule 15.2

Code related audit information

Raw meter data from all electronically interrogated metering installations must be obtained via the services access interface.

This may be carried out by a portable device or remotely.

Audit observation

HHR data is collected by NGCM on behalf of Lighthouse Energy.

Audit commentary

Assessment with this clause is part of the NGCM's audit.

Audit outcome

Compliant

6.13. HHR interrogation data requirement (Clause 11(2) Schedule 15.2)

Code reference

Clause 11(2) Schedule 15.2

Code related audit information

The following information is collected during each interrogation:

11(2)(a) - the unique identifier of the data storage device

11(2)(b) - the time from the data storage device at the commencement of the download unless the time is within specification and the interrogation log automatically records the time of interrogation

11(2)(c) - the metering information, which represents the quantity of electricity conveyed at the point of connection, including the date and time stamp or index marker for each half hour period. This may be limited to the metering information accumulated since the last interrogation

11(2)(d) - the event log, which may be limited to the events information accumulated since the last interrogation

11(2)(e) - an interrogation log generated by the interrogation software to record details of all interrogations.

The interrogation log must be examined by the reconciliation participant responsible for collecting the data and appropriate action must be taken if problems are apparent or an automated software function flags exceptions.

Audit observation

HHR data is collected by NGCM on behalf of Lighthouse Energy.

Audit commentary

Assessment with this clause is part of the NGCM's audit.

Audit outcome

Compliant

6.14. HHR interrogation log requirements (Clause 11(3) Schedule 15.2)

Code reference

Clause 11(3) Schedule 15.2

Code related audit information

The interrogation log forms part of the interrogation audit trail and, as a minimum, must contain the following information:

11(3)(a)- the date of interrogation

11(3)(b)- the time of commencement of interrogation

11(3)(c)- the operator identification (if available)

11(3)(d)- the unique identifier of the meter or data storage device

11(3)(e)- the clock errors outside the range specified in Table 1 of clause 2

11(3)(f)- the method of interrogation

11(3)(g)- the identifier of the reading device used for interrogation (if applicable).

Audit observation

HHR data is collected by NGCM on behalf of Lighthouse Energy and passed to JC Consulting.

Audit commentary

Assessment with this clause is part of the NGCM's audit.

Audit outcome

Compliant

7. STORING RAW METER DATA

7.1. Trading period duration (Clause 13 Schedule 15.2)

Code reference

Clause 13 Schedule 15.2

Code related audit information

The trading period duration, normally 30 minutes, must be within $\pm 0.1\%$ (± 2 seconds).

Audit observation

NGCM provides HHR data to JC Consulting (Lighthouse Energy's agent).

Audit commentary

We reviewed data provided by NGCM and confirm that the trading period duration is 30 minutes. Assessment with this clause is part of the MEPS's audit.

Audit outcome

Compliant

7.2. Archiving and storage of raw meter data (Clause 18 Schedule 15.2)

Code reference

Clause 18 Schedule 15.2

Code related audit information

A reconciliation participant who is responsible for interrogating a metering installation must archive all raw meter data and any changes to the raw meter data for at least 48 months, in accordance with clause 8(6) of Schedule 10.6.

Procedures must be in place to ensure that raw meter data cannot be accessed by unauthorised personnel.

Meter readings cannot be modified without an audit trail being created.

Audit observation

The process to archive and store raw meter data was reviewed during ORBS's audit and found compliant.

HHR data is received from NGCM, who archives raw meter data. Lighthouse Energy keeps a copy of all HHR data.

Audit commentary

We observed the uploading of data to the RM TOOL and confirm that the software does not allow the modification of meter readings without an audit trail.

Audit outcome

Compliant

7.3. Non metering information collected / archived (Clause 21(5) Schedule 15.2)

Code reference

Clause 21(5) Schedule 15.2

Code related audit information

All relevant non-metering information, such as external control equipment operation logs, used in the determination of profile data must be collected, and archived in accordance with clause 18.

Audit observation

Lighthouse Energy uses only RPS and HHR profiles for reconciliation submissions. No external control equipment is used.

Audit commentary

Compliance was not assessed because this clause is not applicable to the Lighthouse Energy operation.

Audit outcome

Not applicable

8. CREATING AND MANAGING (INCLUDING VALIDATING, ESTIMATING, STORING, CORRECTING AND ARCHIVING) VOLUME INFORMATION

8.1. Correction of NHH meter readings (Clause 19(1) Schedule 15.2)

Code reference

Clause 19(1) Schedule 15.2

Code related audit information

If errors are detected during validation of non-half hour meter readings, one of the following must be undertaken:

19(1)(a) - confirmation of the original meter reading by carrying out another meter reading

19(1)(b) - replacement of the original meter reading by another meter reading (even if the replacement meter reading may be at a different date)

19(1)(c) - if the original meter reading cannot be confirmed or replaced by a meter reading from another interrogation, then an estimated reading is substituted, and the estimated reading is marked as an estimate and it is subsequently replaced in accordance with clause 4(2).

Audit observation

Correction of NHH readings, if necessary, is completed by JC Consulting. The process was reviewed during ORBS's audit and found compliant.

Audit commentary

No NHH corrections were made during the period covered by this audit. If errors are detected, in the first instance, an MEP will be contacted asking to read the meter again. If the original meter reading cannot be confirmed or replaced, JC will estimate the data.

Audit outcome

Compliant

8.2. Correction of HHR metering information (Clause 19(2) Schedule 15.2)

Code reference

Clause 19(2) Schedule 15.2

Code related audit information

If errors are detected during validation of half hour metering information the correction must be as follows:

19(2)(a) - if a check meter or data storage device is installed at the metering installation, data from this source may be substituted

19(2)(b) - in the absence of any check meter or data storage device, data may be substituted from another period if the total of all substituted intervals matches the total consumption recorded on the meter, if available, and the pattern of consumption is considered materially similar to the period in error.

Audit observation

The correction of NHH readings, if necessary, is completed by JC Consulting. The process was reviewed during ORBS's audit and found compliant.

Audit commentary

No HHR corrections were made during the period covered by this audit. JC Consulting conducts very thorough HHR data validation to detect possible data inaccuracies.

Audit outcome

Compliant

8.3. Error and loss compensation arrangements (Clause 19(3) Schedule 15.2)

Code reference

Clause 19(3) Schedule 15.2

Code related audit information

If error compensation and loss compensation are carried out as part of the process of determining accurate data, the compensation process must be documented and must comply with audit trail requirements.

Audit observation

Error and loss compensation was discussed during the audit.

Audit commentary

Lighthouse Energy trades category 1 metering installations only. No error or loss compensation needs to be applied to metering data.

Audit outcome

Not applicable

8.4. Correction of HHR and NHH raw meter data (Clause 22(1) and (2) Schedule 15.2)

Code reference

Clause 22(1) and (2) Schedule 15.2

Code related audit information

In correcting a meter reading in accordance with clause 19, the raw meter data must not be overwritten. If the raw meter data and the meter readings are the same, an automatic secure backup of the affected data must be made and archived by the processing or data correction application.

If data is corrected or altered, a journal must be generated and archived with the raw meter data file. The journal must contain the following:

22(2)(a) - the date of the correction or alteration

22(2)(b) - the time of the correction or alteration

22(2)(c) - the operator identifier of the reconciliation participant

22(2)(d) - the half-hour metering data or the non half hour metering data corrected or altered, and the total difference in volume of such corrected or altered data

22(2)(e) - the technique used to arrive at the corrected data

22(2)(f) - the reason for the correction or alteration.

Audit observation

The process for the correction of NHH and HHR reads was examined during the ORBS's audit and found compliant.

Audit commentary

No corrections have occurred since the first switch. Audit trails are discussed in **section 2.4**.

Audit outcome

Compliant

9. ESTIMATING AND VALIDATING VOLUME INFORMATION

9.1. Identification of readings (Clause 3(3) Schedule 15.2)

Code reference

Clause 3(3) Schedule 15.2

Code related audit information

All estimated readings and permanent estimates must be clearly identified as an estimate at source and in any exchange of metering data or volume information between participants.

Audit observation

The estimation processes and classifications were examined during the ORBS's audit and found compliant.

Audit commentary

We reviewed a sample of ten readings in the RM TOOL and confirmed they were correctly labelled. Each register read or interval read has a flag assigned.

Audit outcome

Compliant

9.2. Derivation of volume information (Clause 3(4) Schedule 15.2)

Code reference

Clause 3(4) Schedule 15.2

Code related audit information

Volume information must be directly derived, in accordance with Schedule 15.2, from:

3(4)(a) - validated meter readings

3(4)(b) - estimated readings

3(4)(c) - permanent estimates.

Audit observation

JC Consulting provided a submission summary for 8 months.

Audit commentary

The data provided by JC Consulting was reviewed in section 11 and 12 to confirm that volumes were based on readings as required.

Audit outcome

Compliant

9.3. Meter data used to derive volume information (Clause 3(5) Schedule 15.2)

Code reference

Clause 3(5) Schedule 15.2

Code related audit information

All meter data that is used to derive volume information must not be rounded or truncated from the stored data from the metering installation.

Audit observation

Meter data is collected by MEPs

Audit commentary

We compared a sample of three ICPs and compared data received from MRTX and NGCM and data stored in the RM TOOL. We confirmed that data was neither rounded nor truncated.

Audit outcome

Compliant

9.4. Half hour estimates (Clause 15 Schedule 15.2)

Code reference

Clause 15 Schedule 15.2

Code related audit information

If a reconciliation participant is unable to interrogate an electronically interrogated metering installation before the deadline for providing submission information, the submission to the reconciliation manager must be the reconciliation participant's best estimate of the quantity of electricity that was purchased or sold in each trading period during any applicable consumption period for that metering installation.

The reconciliation participant must use reasonable endeavours to ensure that estimated submission information is within the percentage specified by the Authority.

Audit observation

HHR estimation is conducted by JC Consulting if necessary. The process was examined as part of ORBS's audit and found compliant.

Audit commentary

There is a requirement to use "reasonable endeavours" to ensure that data is accurate to within 10%. The ORBS's audit confirmed that the process documentation is sufficient to achieve compliance.

Audit outcome

Compliant

9.5. NHH metering information data validation (Clause 16 Schedule 15.2)

Code reference

Clause 16 Schedule 15.2

Code related audit information

Each validity check of non-half hour meter readings and estimated readings must include the following:

16(2)(a) - confirmation that the meter reading, or estimated reading relates to the correct ICP, meter, and register

16(2)(b) - checks for invalid dates and times

16(2)(c) - confirmation that the meter reading, or estimated reading lies within an acceptable range compared with the expected pattern, previous pattern, or trend

16(2)(d) - confirmation that there is no obvious corruption of the data, including unexpected 0 values.

Audit observation

NHH metering information data validation is conducted by JC Consulting. The process was reviewed during ORBS's audit and found compliant.

Audit commentary

JC Consulting adopted a validation process for NHH reads which consists of checking for high, low reads, consumption detected >10% of rollover amount, consumption on de energised sites, missing reads, negative consumption.

Audit outcome

Compliant

9.6. Electronic meter readings and estimated readings (Clause 17 Schedule 15.2)

Code reference

Clause 17 Schedule 15.2

Code related audit information

Each validity check of electronically interrogated meter readings and estimate readings must be at a frequency that will allow a further interrogation of the data storage device before the data is overwritten within the data storage device and before this data can be used for any purpose under the Code.

Each validity check of a meter reading obtained by electronic interrogation or an estimated reading must include:

17(4)(a) - checks for missing data

17(4)(b) - checks for invalid dates and times

17(4)(c) - checks of unexpected 0 values

17(4)(d) - comparison with expected or previous flow patterns

17(4)(e) - comparisons of meter readings with data on any data storage device registers that are available

17(4)(f) - a review of meter and data storage device event list. Any event that could have affected the integrity of metering data must be investigated.

Audit observation

JC Consulting receives remotely read metering data from NGCM and MTRX. The process for validation of HHR metering information was reviewed during ORBS's audit and found compliant.

Audit commentary

When data is uploaded into the RM TOOL a validity check of meter readings is conducted and an exception report is created. MEPs are advised if there is an issue. No event notification has been received to date.

Audit outcome

Compliant

10. PROVISION OF METERING INFORMATION TO THE PRICING MANAGER IN ACCORDANCE WITH SUBPART 4 OF PART 13 (CLAUSE 15.38(1)(F))

10.1. Generators to provide HHR metering information (Clause 13.136)

Code reference

Clause 13.136

Code related audit information

The generator (and/or embedded generator) must provide to the pricing manager and the grid owner connected to the local network in which the embedded generator is located, half hour metering information in accordance with clause 13.138 in relation to generating plant that is subject to a dispatch instruction:

- *that injects electricity directly into a local network; or*
- *if the meter configuration is such that the electricity flows into a local network without first passing through a grid injection point or grid exit point metering installation.*

Audit observation

Lighthouse Energy is not required to provide information to the pricing manager.

Audit commentary

This clause is not applicable to Lighthouse Energy. Compliance was not assessed.

Audit outcome

Not applicable

10.2. Unoffered & intermittent generation provision of metering information (Clause 13.137)

Code reference

Clause 13.137

Code related audit information

Each generator must provide the pricing manager and the relevant grid owner half-hour metering information for:

- *any unoffered generation from a generating station with a point of connection to the grid 13.137(1)(a)*
- *any electricity supplied from an intermittent generating station with a point of connection to the grid. 13.137(1)(b)*

The generator must provide the pricing manager and the relevant grid owner with the half-hour metering information required under this clause in accordance with the requirements of Part 15 for the collection of that generator's volume information. (clause 13.137(2))

If such half-hour metering information is not available, the generator must provide the pricing manager and the relevant grid owner a reasonable estimate of such data. (clause 13.137(3))

Audit observation

Lighthouse Energy is not required to provide information to the pricing manager.

Audit commentary

This clause is not applicable to Lighthouse Energy. Compliance was not assessed.

Audit outcome

Not applicable

10.3. Loss adjustment of HHR metering information (Clause 13.138)

Code reference

Clause 13.138

Code related audit information

The generator must provide the information required by clauses 13.136 and 13.137,

13.138(1)(a)- adjusted for losses (if any) relative to the grid injection point or, for embedded generators the grid exit point, at which it offered the electricity

13.138(1)(b)- in the manner and form that the pricing manager stipulates

13.138(1)(c)- by 0500 hours on a trading day for each trading period of the previous trading day.

The generator must provide the half-hour metering information required under this clause in accordance with the requirements of Part 15 for the collection of the generator's volume information.

Audit observation

Lighthouse Energy is not required to provide information to the pricing manager.

Audit commentary

This clause is not applicable to Lighthouse Energy. Compliance was not assessed.

Audit outcome

Not applicable

10.4. Notification of the provision of HHR metering information (Clause 13.140)

Code reference

Clause 13.140

Code related audit information

If the generator provides half-hourly metering information to the pricing manager or a grid owner under clauses 13.136 to 13.138, or 13.138A, it must also, by 0500 hours of that day, advise the relevant grid owner.

Audit observation

Lighthouse Energy is not required to provide information to the pricing manager.

Audit commentary

This clause is not applicable to Lighthouse Energy. Compliance was not assessed.

Audit outcome

Not applicable

11. PROVISION OF SUBMISSION INFORMATION FOR RECONCILIATION

11.1. Buying and selling notifications (Clause 15.3)

Code reference

Clause 15.3

Code related audit information

Unless an embedded generator has given a notification in respect of the point of connection under clause 15.3, a trader must give notice to the reconciliation manager if it is to commence or cease trading electricity at a point of connection using a profile with a profile code other than HHR, RPS, UML, EG1, or PV1 at least five business days before commencing or ceasing trader.

The notification must comply with any procedures or requirements specified by the reconciliation manager.

Audit observation

The LIS file dated 12/11/18 was used to identify which profiles are used by Lighthouse Energy.

Audit commentary

For submissions Lighthouse Energy uses the profiles of HHR and RPS. Trading notifications were not required.

Audit outcome

Compliant

11.2. Calculation of ICP days (Clause 15.6)

Code reference

Clause 15.6

Code related audit information

Each retailer and direct purchaser (excluding direct consumers) must deliver a report to the reconciliation manager detailing the number of ICP days for each NSP for each submission file of submission information in respect of:

15.6(1)(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period

15.6(1)(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.

The ICP days information must be calculated using the data contained in the retailer or direct purchaser's reconciliation system when it aggregates volume information for ICPs into submission information.

Audit observation

The ICP days reporting is completed by JC Consulting as Lighthouse Energy's agent. The process for the calculation of ICP days was examined during the ORBS's audit and found compliant.

We reviewed the GR-100 for the period Mar'18 to Dec'18

Audit commentary

The ICP days file (AV-110) is part of the submission process. AV-110 files are submitted on the 4th business day and on the 13th business day of each reconciliation period.

Analysis of GR-100 showed that the number of days calculated by the registry and the RM TOOL was the same for all submissions (initial and revisions).

Audit outcome

Compliant

11.3. Electricity supplied information provision to the reconciliation manager (Clause 15.7)

Code reference

Clause 15.7

Code related audit information

A retailer must deliver to the reconciliation manager its total monthly quantity of electricity supplied for each NSP, aggregated by invoice month, for which it has provided submission information to the reconciliation manager, including revised submission information for that period as non-loss adjusted values in respect of:

15.7(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period

15.7(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.

Audit observation

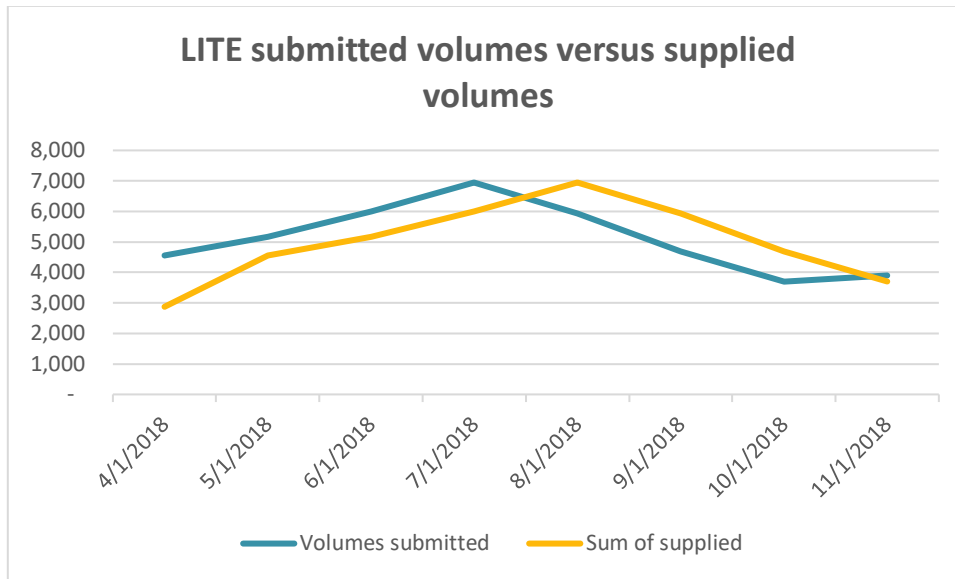
As a part of the process for file submission to the reconciliation manager, JC Consulting submits AV-120 every month for the current month and scheduled revisions. We checked the RM portal to confirm it.

Audit commentary

Lighthouse Energy provides billing information to JC Consulting.

The table below shows a comparison between volumes submitted and supplied.

| Month | Volumes submitted | Sum of supplied |
|---------|-------------------|-----------------|
| 1/04/18 | 4,550 | 2,873 |
| 1/05/18 | 5,175 | 4,551 |
| 1/06/18 | 5,988 | 5,175 |
| 1/07/18 | 6,947 | 5,988 |
| 1/08/18 | 5,930 | 6,947 |
| 1/09/18 | 4,691 | 5,931 |
| 1/10/18 | 3,697 | 4,690 |
| 1/11/18 | 3,905 | 3,698 |



Audit outcome

Compliant

11.4. HHR aggregates information provision to the reconciliation manager (Clause 15.8)

Code reference

Clause 15.8

Code related audit information

A retailer or direct purchaser (excluding direct consumers) must deliver to the reconciliation manager its total monthly quantity of electricity supplied for each half hourly metered ICP for which it has provided submission information to the reconciliation manager, including:

15.8(a) - submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period

15.8(b) - revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period.

Audit observation

Lighthouse Energy provided a set of submission files (AV140) for Mar'18 to Dec'18. GR-090 (missing ICPs) was reviewed for the same period.

We compared the volumes in HHRVOLS and HHRAGGR for a selected month.

The process for the calculation and aggregation of HHR data was examined during the ORBS's audit and found to be correct.

Audit commentary

We compared volumes in HHRVOLS and HHRAGGR for the months May'18 to Oct'18. There were only small rounding differences between the volumes and aggregates or not at all.

The HHRAGGR files are prepared at ICP level based on submission information. Clause 15.8 states that the HHRAGGR should contain electricity supplied information rather than submission information. The

Reconciliation Manager Functional Specification in section 3, described HHRAGGR as HHR submission information that is aggregated per ICP for the whole month.

There is a misalignment between the Code requirements and RM file specification. It is a problem well known to the Authority and is awaiting a resolution.

Audit outcome

Non-compliant

| Non-compliance | Description | | |
|---|--|-----------------|------------------------|
| Audit Ref: 11.4 With: 15.8 From: 11-Mar-18 To: 31-Dec-18 | HHRAGGR files do not contain electricity supplied information Potential impact: Low Actual impact: Low Audit history: None Controls: Strong Breach risk rating: 1 | | |
| Audit risk rating | Rationale for audit risk rating | | |
| Low | Lighthouse Energy submits submissions volumes as per the reconciliation manager specification. | | |
| Actions taken to resolve the issue | | Completion date | Remedial action status |
| | | | Cleared |
| Preventative actions taken to ensure no further issues will occur | | Completion date | |
| | | | |

12. SUBMISSION COMPUTATION

12.1. Daylight saving adjustment (Clause 15.36)

Code reference

Clause 15.36

Code related audit information

The reconciliation participant must provide submission information to the reconciliation manager that is adjusted for NZDT using 1 of the techniques set out in clause 15.36(3) specified by the Authority.

Audit observation

Lighthouse Energy received HHR data from NGCM and MTRX. The process was reviewed as part of ORBS's audit report and found compliant.

Audit commentary

NGCM compliance with this clause is covered by their MEP audit. Data provided to Lighthouse Energy is daylight saving adjusted using the "trading period run on" technique. We reviewed HHRVOLS file for Sept'18 and confirm the correct number of trading periods on 30/09/18 were recorded.

Audit outcome

Compliant

12.2. Creation of submission information (Clause 15.4)

Code reference

Clause 15.4

Code related audit information

By 1600 hours on the 4th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all NSPs for which the reconciliation participant is recorded in the registry as having traded electricity during the consumption period immediately before that reconciliation period (in accordance with Schedule 15.3).

By 1600 hours on the 13th business day of each reconciliation period, the reconciliation participant must deliver submission information to the reconciliation manager for all points of connection for which the reconciliation participant is recorded in the registry as having traded electricity during any consumption period being reconciled in accordance with clauses 15.27 and 15.28, and in respect of which it has obtained revised submission information (in accordance with Schedule 15.3).

Audit observation

JC consulting calculates and provides reconciliation files on behalf of Lighthouse Energy. Reconciliation data is provided for both HHR and NHH ICPs

Audit commentary

We checked the timing of file submissions and confirm that for Mar'18 to Dec'18, data was submitted as per this clause requirement. Accuracy of submissions between HHRVOLS and HHRAGGR were checked in **section 11.4**.

No breaches had been recorded for the late provision of submission information.

Audit outcome

Compliant

12.3. Allocation of submission information (Clause 15.5)

Code reference

Clause 15.5

Code related audit information

In preparing and submitting submission information, the reconciliation participant must allocate volume information for each ICP to the NSP indicated by the data held in the registry for the relevant consumption period at the time the reconciliation participant assembles the submission information. Volume information must be derived in accordance with Schedule 15.2.

However, if, in relation to a point of connection at which the reconciliation participant trades electricity, a notification given by an embedded generator under clause 15.13 for an embedded generating station is in force, the reconciliation participant is not required to comply with the above in relation to electricity generated by the embedded generating station.

Audit observation

The process for the allocation of submission information was examined during the ORBS's audit and found compliant.

Audit commentary

JC Consulting thoroughly validates and checks volume data before submission files are sent to the reconciliation manager. Copies of reconciliation submissions are provided to Lighthouse Energy.

We compared consecutive submissions for Mar'18 and June'18 and found them to contain the same NSPs.

Audit outcome

Compliant

12.4. Grid owner volumes information (Clause 15.9)

Code reference

Clause 15.9

Code related audit information

The participant (if a grid owner) must deliver to the reconciliation manager for each point of connection for all of its GXPs, the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.9(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period. (clause 15.9(b))*

Audit observation

The LIS file was reviewed. Lighthouse Energy is not a grid owner.

Audit commentary

This clause is not applicable to Lighthouse Energy. Compliance was not assessed.

Audit outcome

Not applicable

12.5. Provision of NSP submission information (Clause 15.10)

Code reference

Clause 15.10

Code related audit information

The participant (if a local or embedded network owner) must provide to the reconciliation manager for each NSP for which the participant has given a notification under clause 25(1) Schedule 11.1 (which relates to the creation, decommissioning, and transfer of NSPs) the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.10(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period. (clause 15.10(b))*

Audit observation

The LIS file was reviewed. Lighthouse Energy is not an embedded network owner.

Audit commentary

This clause is not applicable to Lighthouse Energy. Compliance was not assessed.

Audit outcome

Not applicable

12.6. Grid connected generation (Clause 15.11)

Code reference

Clause 15.11

Code related audit information

The participant (if a grid connected generator) must deliver to the reconciliation manager for each of its points of connection, the following:

- *submission information for the immediately preceding consumption period, by 1600 hours on the 4th business day of each reconciliation period (clause 15.11(a))*
- *revised submission information provided in accordance with clause 15.4(2), by 1600 hours on the 13th business day of each reconciliation period. (clause 15.11(b))*

Audit observation

The LIS file was reviewed.

Audit commentary

Lighthouse Energy is not responsible for any GIP. Compliance was not assessed.

Audit outcome

Not applicable

12.7. Accuracy of submission information (Clause 15.12)

Code reference

Clause 15.12

Code related audit information

If the reconciliation participant has submitted information and then subsequently obtained more accurate information, the participant must provide the most accurate information available to the reconciliation manager or participant, as the case may be, at the next available opportunity for submission (in accordance with clauses 15.20A, 15.27, and 15.28).

Audit observation

All relevant revisions were submitted on day 13 by JC Consulting. Alleged breaches during the audit period were reviewed to determine whether any reconciliation submissions were late.

Audit commentary

A review of alleged breaches confirmed that no reconciliation submissions were made late.

JC Consulting provided evidence that any updates to metering information are submitted to the RM. On day 4 JC Consulting used Lighthouse Energy's own profile to calculate NHH submissions, they are replaced as soon as GR-030 is available.

Audit outcome

Compliant

12.8. Permanence of meter readings for reconciliation (Clause 4 Schedule 15.2)

Code reference

Clause 4 Schedule 15.2

Code related audit information

Only volume information created using validated meter readings, or if such values are unavailable, permanent estimates, has permanence within the reconciliation processes (unless subsequently found to be in error).

Volume information created using estimated readings must be subsequently replaced at the earliest opportunity by the reconciliation participant by volume information that has been created using validated meter readings or permanent estimates by, at the latest, the month 14 revision cycle.

A permanent estimate may be used in place of a validated meter reading, but only if, despite having used reasonable endeavours; the reconciliation participant has been unable to obtain a validated meter reading.

Audit observation

JC Consulting submits reconciliation files on behalf of Lighthouse Energy.

Audit commentary

Lighthouse Energy started trading in March'18, which is less than 14 months. Compliance was not assessed.

Audit outcome

Not applicable

12.9. Reconciliation participants to prepare information (Clause 2 Schedule 15.3)

Code reference

Clause 2 Schedule 15.3

Code related audit information

If a reconciliation participant prepares submission information for each NSP for the relevant consumption periods in accordance with the Code, such submission information must comprise the following:

- *half hour volume information for each ICP notified in accordance with clause 11.7(2) for which there is a category 3 or higher metering installation (clause 2(1)(a))*
- *for each ICP about which information is provided under clause 11.7(2) for which there is a category 1 or category 2 metering installation (clause 2(1)(b)):*
 - a) *half hour volume information for the ICP; or*
 - b) *non half hour volumes information calculated under clauses 4 to 6 (as applicable).*
 - c) *unmetered load quantities for each ICP that has unmetered load associated with it derived from the quantity recorded in the registry against the relevant ICP and the number of days in the period, the distributed unmetered load database, or other sources of relevant information. (clause 2(1)(c))*
- *to create non half hour submission information a reconciliation participant must only use information that is dependent on a control device if (clause 2(2)):*
 - a) *the certification of the control device is recorded in the registry; or*
 - b) *the metering installation in which the control device is location has interim certification.*
- *to create submission information for a point of connection the reconciliation participant must apply to the raw meter data (clause 2(3)):*
 - a) *for each ICP, the compensation factor that is recorded in the registry (clause 2(3)(a))*
 - b) *for each NSP the compensation factor that is recorded in the metering installations most recent certification report. (clause 2(3)(b))*

Audit observation

The process for aggregation and content of reconciliation files was reviewed during the ORBS's audit and found compliant.

Audit commentary

Lighthouse Energy trades both NHH and HHR ICPs. No ICPs with unmetered load are supplied. Lighthouse Energy only used RPS and HHR profiles; no certified control devices were used to create volumes. We crosschecked the registry file and reconciliation files for three months and confirm that volumes were submitted for all ICPs.

Audit outcome

Compliant

12.10. Historical estimates and forward estimates (Clause 3 Schedule 15.3)

Code reference

Clause 3 Schedule 15.3

Code related audit information

For each ICP that has a non-half hour metering installation, volume information derived from validated meter readings, estimated readings, or permanent estimates must be allocated to consumption periods using the following techniques to create historical estimates and forward estimates. (clause 3(1))

Each estimate that is a forward estimate or a historical estimate must clearly be identified as such. (clause 3(2))

If validated meter readings are not available for the purpose of clauses 4 and 5, permanent estimates may be used in place of validated meter readings. (clause 3(3))

Audit observation

We reviewed AV-080 for Mar'18 to Dec'18.

Audit commentary

We confirm that historical and forward estimates were included and identified correctly.

Audit outcome

Compliant

12.11. Historical estimate process (Clause 4 and 5 Schedule 15.3)

Code reference

Clause 4 and 5 Schedule 15.3

Code related audit information

The methodology outlined in clause 4 of Schedule 15.3 must be used when preparing historic estimates of volume information for each ICP when the relevant seasonal adjustment shape is available.

If a seasonal adjustment shape is not available, the methodology for preparing an historical estimate of volume information for each ICP must be the same as in clause 4, except that the relevant quantities kWh_{px} must be prorated as determined by the reconciliation participant using its own methodology or on a flat shape basis using the relevant number of days that are within the consumption period and within the period covered by kWh_{px} .

Audit observation

Historical estimates are calculated by JC Consulting. The process was audited during the ORBS's audit and found compliant.

Audit commentary

We asked JC Consulting to provide three examples of calculations relevant to Lighthouse Energy. The scenarios provided were reads spanning and inside months. We checked calculations and confirm their correctness.

Audit outcome

Compliant

12.12. Forward estimate process (Clause 6 Schedule 15.3)

Code reference

Clause 6 Schedule 15.3

Code related audit information

Forward estimates may be used only in respect of any period for which an historical estimate cannot be calculated.

The methodology used for calculating a forward estimate may be determined by the reconciliation participant, only if it ensures that the accuracy is within the percentage of error specified by the Authority.

Audit observation

Forward estimates are calculated by JC Consulting if required. The process was audited during the ORBS's audit and found compliant.

Audit commentary

Lighthouse Energy's forward estimates are based on a daily average consumption specified in the CS file or daily average consumption from the previous read to read. Using GR170NHH we checked variances between submission day 4 and day 13, the variances were negligible.

Audit outcome

Compliant

12.13. Compulsory meter reading after profile change (Clause 7 Schedule 15.3)

Code reference

Clause 7 Schedule 15.3

Code related audit information

If the reconciliation participant changes the profile associated with a meter, it must, when determining the volume information for that meter and its respective ICP, use a validated meter reading or permanent estimate on the day on which the profile change is to take effect.

The reconciliation participant must use the volume information from that validated meter reading or permanent estimate in calculating the relevant historical estimates of each profile for that meter.

Audit observation

Lighthouse Energy understands the requirements.

Audit commentary

There were no changes to the profiles used by Lighthouse Energy

Audit outcome

Compliant

13. SUBMISSION FORMAT AND TIMING

13.1. Provision of submission information to the RM (Clause 8 Schedule 15.3)

Code reference

Clause 8 Schedule 15.3

Code related audit information

Submission information provided to the reconciliation manager must be aggregated to the following level:

- *NSP code (clause 8(a))*
- *reconciliation type (clause 8(b))*
- *profile (clause 8(c))*
- *loss category code (clause 8(d))*
- *flow direction (clause 8(e))*
- *dedicated NSP (clause 8(f))*
- *trading period for half hour metered ICPs and consumption period or day for all other ICPs. (clause 8(g))*

Audit observation

Lighthouse Energy provided submission files for Apr'18 to Dec'18.

Audit commentary

We reviewed files and confirm that the format of submission files is compliant. We reviewed HHRVOLS and HHRAGGR in **section 11.4**. NHHVOLS were discussed in **section 12.9**.

Audit outcome

Compliant

13.2. Reporting resolution (Clause 9 Schedule 15.3)

Code reference

Clause 9 Schedule 15.3

Code related audit information

When reporting submission information, the number of decimal places must be rounded to not more than 2 decimal places.

If the unrounded digit to the right of the second decimal place is greater than or equal to 5, the second digit is rounded up, and

If the digit to the right of the second decimal place is less than 5, the second digit is unchanged.

Audit observation

We reviewed submission files for June'18 to Oct'18.

Audit commentary

Submission information for NHH and HHR is rounded to two decimal places. It was discussed with the company as to how submission information was calculated, and JC Consulting confirm that submission volumes are rounded, using a method prescribed by this clause, at the end of calculations.

Audit outcome

Compliant

13.3. Historical estimate reporting to RM (Clause 10 Schedule 15.3)

Code reference

Clause 10 Schedule 15.3

Code related audit information

By 1600 hours on the 13th business day of each reconciliation period the reconciliation participant must report to the reconciliation manager the proportion of historical estimates per NSP contained within its non-half hour submission information.

The proportion of submission information per NSP that is comprised of historical estimates must (unless exceptional circumstances exist) be:

- *at least 80% for revised data provided at the month 3 revision (clause 10(3)(a))*
- *at least 90% for revised data provided at the month 7 revision (clause 10(3)(b))*
- *100% for revised data provided at the month 14 revision. (clause 10(3)(c))*

Audit observation

JC Consulting creates and submits reconciliation files for NHH ICPs. We reviewed NHHVOLs and GR-70 NHH created by the reconciliation manager. The first ICP was switched in March'18 therefore only revision 3 and 7 have been submitted.

Audit commentary

We confirm that Lighthouse Energy met the target of 80% and 90%, for the relevant revisions. In fact Lighthouse Energy achieved 100% of historical estimates by revision 3.

Audit outcome

Compliant

CONCLUSION

PARTICIPANT RESPONSE