PERFORMANCE AUDIT REPORT UNDER THE SWITCHING ARRANGEMENTS AND DOWNSTREAM RECONCILIATION RULES

Firstgas Limited as Transmission System Owner

Audit date: July/August 2025

Report date: 26 August 2025

Under the Gas (Switching Arrangements) Rules 2008 and the Gas (Downstream Reconciliation) Rules 2008 Gas Industry Company has commissioned Langford Consulting to undertake a performance audit of Firstgas Limited in its role of transmission system owner. The purpose of the audit is to assess compliance with the rules and the systems and processes put in place to enable compliance.

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Executive Summary

Under the Gas (Switching Arrangements) Rules 2008 and the Gas (Downstream Reconciliation) Rules 2008 Gas Industry Company (GIC) commissioned Langford Consulting to undertake a performance audit of Firstgas Ltd (Firstgas).

The purpose of the audit is to:

- assess compliance with the rules
- assess the systems and processes put in place to enable compliance with the rules

The audit was conducted within the terms of reference supplied by GIC and within the guideline note *Guideline note for rules 65 to 75: the commissioning and carrying out of performance audits and event audits, version 3.0* (http://www.gasindustry.co.nz/dmsdocument/2858).

The summary of report findings shows that the Firstgas control environment, for the 9 areas evaluated, 7 had 'effective' controls and 2 areas were found to 'need improvement'. 4 of the areas were found to be 'not compliant'. Where non-compliance was identified the impact was found to be insignificant for all instances.

There was 1 breach allegation raised in relation to MAUI, 3 breach allegations are made in relation to VCTX. These are summarised in the following table. The following recommendations were also made:

> **Recommendation:** Firstgas review how they check non-telemetry data is complete before being made available to the allocation agent and find an effective technique that is easier to implement, so the check is not sacrificed in the interests of having the data ready on time.
>
> **Recommendation:** That Firstgas review their processes for notifying the allocation agent of material errors in the data to ensure an email is always sent.
>
> **Recommendation:** That Firstgas implement a monthly process of reviewing downstream UFG as an additional tool for identifying data/meter issues.

Summary of breach allegations

All breach allegations are made under the Gas (Downstream Reconciliation) Rules 2008 unless otherwise stated.

Section	Summary of issue	Rules potentially breached
3.1	Incorrect contact details - MAUI	Switching rule 10.1.1
4.1	Missing day of data - VCTX	26.2
4.4	Advising the allocation agent of material errors - VCTX	44.1
4.6	Creation of incorrect ICP identifier - VCTX	Switching rule 44.3.2

Summary of report findings

Issue	Section	Control Rating	Compliance Rating	Comments
GENERAL				
Participant registration information	3.1	Needs improvement	Not Compliant	Firstgas had out of date address details on the registry for MAUI
Obligation to act reasonably	3.2	Effective	Compliant	No examples of Firstgas acting unreasonably were found
Obligation to use registry software competently	3.3	Effective	Compliant	No examples of Firstgas using software incompetently were found
AS DISTRIBUTOR				
Accuracy, completeness and timeliness of information	4.1	Effective	Not compliant	1 day of non-telemetry data was missing for 1 non-telemetry gas gate in May 2025. A recommendation is made to improve this, but generally the controls are effective.
Audit trails and data storage	4.2	Effective	Compliant	EnergySys has a very comprehensive audit trail
Provision of injection data	4.3	Effective	Compliant	Other than the incident noted at 4.1 the Firstgas processes are effective
Identification of injection data errors	4.4	Effective	Not compliant	Firstgas has an effective/comprehensive set of processes for identifying errors. There was an issue identified for notifying the allocation agent of errors. There is a recommendation for using downstream UFG as an additional tool.
Correcting for gas gate metering errors	4.5	Effective	Compliant	A sample of corrections were reviewed; they were all found to be compliant with Sch 1a.
Assignment of ICPs	4.6	Needs improvement	Not compliant	There was 1 new ICP, it was assigned with an incorrect identifier

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1. Introduction

Under the Gas (Switching Arrangements) Rules 2008 (the switching rules) and the Gas (Downstream Reconciliation) Rules 2008 (the reconciliation rules) Gas Industry Company (GIC) commissioned Langford Consulting to undertake a performance audit of Firstgas Ltd (Firstgas) as a transmission owner. The audit was commissioned under rule 88 and was conducted within terms of reference prepared by GIC and includes the activities of participant codes VCTX and MAUI as transmission system owner.

The engagement commenced on 26 May 2025 and involved site visits to Firstgas' New Plymouth office and a Teams meeting with Wellington based staff.

The purpose of the audit is to:

- assess compliance with the rules
- assess the systems and processes put in place to enable compliance with the rules

In preparing the report, the auditor used the processes set out in the guideline note issued on 1 June 2013: *Guideline note for rules 65 to 75: the commissioning and carrying out of performance audits and event audits, version 3.0* (http://www.gasindustry.co.nz/dmsdocument/2858).

The scope of this audit is restricted to the two participant codes VCTX and MAUI and their responsibilities as transmission system owner under both the switching and reconciliation rules. Their responsibilities as meter owner were covered in a separate audit.

2. General Compliance

2.1 Switch Breach Report

Firstgas as MAUI has not had any alleged breaches under either set of rules since the last audit.

Firstgas as VCTX has had two alleged breaches under the downstream reconciliation rules, which were discussed during the audit.

The first alleged breach related to the month of November 22 and was alleged under reconciliation rules 41,26.2.1 and 26.2.3. There was an issue with an electronic corrector resulting in the submission of inaccurate initial submission data. At the time of the audit this was still going through the determination process.

The second alleged breach related to the month of April 2023 and was alleged under the same reconciliation rules 41,26.2.1 and 26.2.3. This related to a malfunctioning meter identified as running fast, resulting in downstream UFG. At the time of the audit this was still going through the determination process.

Firstgas has made process improvements to try and prevent such breaches in the future. These include an increase to the UFG checks; improvements to the meter read mobile app; updated BVI check processes; identification of meters that have not had a recent mechanical meter read.

2.2 Summary of previous audit

Firstgas as TSO was last audited in 2021 by Veritek, alongside a major change audit of their systems. The audit found no non-compliance and a control rating of 'effective' for all areas reviewed.

2.3 Provision of Information to the Auditor

In conducting this audit, the auditor may request any information from Firstgas, the industry body and any registry participant.

Information was provided by Firstgas in a timely manner in accordance with this rule.

3. General obligations

3.1 Participant registration information

The participant registration information in the gas registry for Firstgas participant codes MAUI and VCTX were reviewed. All were found to be correct except for the MAUI address which was out of date. The details had last been updated in June 2021.

Alleged Breach

Incorrect contact details - MAUI			
Non-compliance	Description		
Report section: 3.1 Rule: switching rules 10.1.1 From: 2022 To: Date of audit	Audit history: Yes Controls: Needs improvement Impact: Insignificant	MAUI had not updated its contact details in the gas registry since June 2021 and at the time of the audit the contact address was out of date.	
Remedial action rating	Remedial timeframe	Remedial comment	
Completed	Immediate	The address has been updated	
Audited party comment			
The circumstances of the matters outlined in the breach notice.	Yes, the MAUI address was incorrect in the participant register		
Whether or not the participant admits or disputes that it is in breach.	Yes		
Estimate of the impact of the breaches (where admitted).	Insignificant		

What steps or processes were in place to prevent the breaches?	Not applicable
What steps have been taken to prevent recurrence?	Firstgas has contacted the industry body to get the address corrected, as per the procedure outlined in the gas registry user manual.

3.2 Obligation to act reasonably

No examples of Firstgas acting unreasonably were found.

3.3 Obligation to use registry software competently

No examples of Firstgas using registry software incompetently were found.

4. Obligations as Distributor

4.1 Accuracy, completeness and timeliness of information (r26.2 and 26.3)

EnergySys is the core system Firstgas use to manage metering data. This is where missing data identification, data validation and energy conversion occur. There is a PowerBI front end that provides a dashboard and work lists. Once processes are completed metering data is pushed to OATIS to enable participants, including the allocation agent, to access it.

There are a number of inputs to the team's processes:

- Metering data that arrives via SCADA
- Metering data that arrives via Autopoll
- Metering data from 3 sites that don't have telemetry (data entered (uploaded) via Zaptic, or downloaded and received via email)
- Gas chromatograph data that arrives via SCADA
- Field technician information from site, including mechanical meter reads or information about series proving or meter swaps (entered via Zaptic)
- Operational information that arrives via daily reports (such as production outages; bypasses; venting)
- Metering laboratory test results

Firstgas make data available to the allocation agent, and all other parties, via OATIS. The allocation agent has their own logon that enables them to download the appropriate data and also view notices relevant to their role. There is a constant stream of unvalidated data being made available to the industry via OATIS for a multitude of compliance reasons, not just the reconciliation rules.

Once daily gas types and validation checks have been completed by the team the data in OATIS is updated and marked as validated. Once the month end checks have occurred and the data is ready for the allocation agent, in accordance with the reconciliation rules timeframe, an email is sent to the allocation agent, who then download the data for the reconciliation process. The processes of confirming data is complete and up to date and then notifying the allocation agent are repeated for the interim and final allocations.

As a part of the audit the auditor discussed with the allocation agent whether there had been any issues with the supply of information provided. The allocation agent highlighted a recent issue where the data downloaded from OATIS by the allocation agent, after Firstgas had confirmed the data was ready, had a missing day for one gas gate (Pungarehu no2 for 31 May 2025). This was quickly resolved once the allocation agent had raised the issue with Firstgas.

This incident was discussed with Firstgas who explained the initial problem was a human error on a data export on a non-telemetry site. Firstgas only have 3 remaining non-telemetry sites so these processes are more manual and affect a very small percentage of the gas throughput. The team does have checks but some take a long while to run and this must have been overlooked on this occasion.

> **Recommendation:** Firstgas review how they check non-telemetry data is complete before being made available to the allocation agent and find an effective technique that is easier to implement, so the check is not sacrificed in the interests of having the data ready on time.

Alleged Breach

<table>
<tr><td colspan="4">Missing hour of data - VCTX</td></tr>
<tr><td>Non-compliance</td><td colspan="3">Description</td></tr>
<tr><td>Report section: 4.1
Rule: 26.2

From: May 2025
To: June 2025</td><td>Audit history: Yes
Controls: Need improvement
Impact: Insignificant</td><td colspan="2">VCTX overlooked a data check to ensure the data uploaded for a non-telemetry site was complete prior to making the data available to the allocation agent.
The error was identified by the allocation agent during their routine processes and quickly rectified by Firstgas.
The impact is insignificant as the issue only affected 1 non-telemetry site for 1 day. The process is used for 3 non-telemetry sites which only have small throughputs.
Nonetheless an improvement to the checks for the completeness of non-telemetry data is recommended.</td></tr>
<tr><td colspan="2">Remedial action rating</td><td>Remedial timeframe</td><td>Remedial comment</td></tr>
<tr><td colspan="2">Completed</td><td>Immediate</td><td>Month end processes have been improved</td></tr>
<tr><td colspan="4">Audited party comment</td></tr>
<tr><td colspan="2">The circumstances of the matters outlined in the breach notice.</td><td colspan="2">The user interface parameters in the EnergySys process that creates the HDR file is not ideal. The attributes are labelled ‘Gas Day’ but are actually ‘Date Time’. The parameters default to midnight (00:00).
For May 2025 user is required to enter the output range 01/May/2025 00:00 – 01/Jun/2025 00:00.
In this instance the user accidently entered 01/May/2025 00:00 - 31/May/2025 00:00</td></tr>
<tr><td colspan="2">Whether or not the participant admits or disputes that it is in breach.</td><td colspan="2">Yes</td></tr>
</table>

Estimate of the impact of the breaches (where admitted).	Insignificant
What steps or processes were in place to prevent the breaches?	There are checklists in place to ensure monthly TOU data is published to OATIS
What steps have been taken to prevent recurrence?	We have revised our end of month processes to include a comparison spreadsheet that compared OATIS data for the Month with EnergySys data and highlights any inconsistencies

The team views the transmission system linebalances daily, looking for UFG issues that might indicate data or meter equipment issues. As the transmission system is monitored by SCADA and almost exclusively TOU it is possible to look at meaningful transmission UFG on a daily basis, after the daily data validation, as an indicator of problems that need to be investigated.

As downstream UFG is not available until sometime after the fact it is not routinely monitored, although it is sometimes used on ad hoc basis. For example, if a large or unusual correction is being calculated the potential impact of the correction on downstream UFG would be used as a sanity check of the proposed correction.

It was noted during the audit that a problem with a meter was only identified when the downstream UFG was examined, and that this was only reviewed as a result of a request from GIC. While it is acknowledged that upstream UFG is a much timelier tool for reviewing data and identifying issues, it can be a blunt instrument for identifying issues at smaller gas gates where the impact is insignificant at the upstream transmission level but can have a significant impact downstream. This recommendation may require some experimentation as the downstream UFG at the initial stage may not be sufficiently accurate to be useful, the interim/final UFG may be of more value.

> **Recommendation:** That Firstgas implement a monthly process of reviewing downstream UFG as an additional tool for identifying data/meter issues.

4.2 Audit trails and data storage (r27A)

EnergySys keeps a full audit trail of every data change. Against each version of the data, it also records who made the change (user or automated data process), the date and time and the details of the change made. So, if the change was a result of a correction the calculations that underly the change are associated and can be opened/viewed by subsequent users. If the change was as a result of an automated process the name of the process is shown and can be interrogated so the user can see the automated calculations that have been made.

During the audit the auditor viewed raw data back more than 30 months as held prior to loading into EnergySys. The SCADA system also holds data back several years.

OATIS is the mechanism used for providing data to the allocation agent, and it also has mechanisms for version control and audit trails.

No concerns arose regarding audit trails and data storage.

4.3 Provision of injection data (r41)

Firstgas make data available to the allocation agent, and all other parties, via OATIS. The allocation agent has their own logon that enables them to download the appropriate data and also view notices relevant to their role, such as those informing them of material data errors or data corrections. There is a constant stream of unvalidated data being made available to the industry via OATIS for a multitude of compliance reasons, not just the reconciliation rules. This ensures there is a single source of truth for all stakeholders.

Once daily gas types and validation checks have been completed by the team the data in OATIS is updated from the data in EnergySys and marked as validated. Once the month end checks to ensure the data is complete and accurate according to the most recent information available have occurred, so the data is ready for the allocation agent, an email is sent to the allocation agent. The allocation agent then downloads the data from OATIS for the reconciliation process. The processes of confirming data is complete and up to date and then notifying the allocation agent are repeated for the interim and final allocations.

These processes have already been outlined in section 4.1, however the auditor also undertook a review of the energy conversion process and production and use of gas type information in the production of injection data as these underpin the accuracy of the data. The gas type information also affects the accuracy of all retailers as it is used in their energy conversion.

Energy calculation

All of the Firstgas gas gates, with the exception of the few unmetered gas gates, have correctors on site. The metering data is therefore corrected for temperature and pressure on site. EnergySys therefore only has to adjust the corrected volume data for altitude, compressibility and calorific value to arrive at an energy value. EnergySys uses AGA8 gross characterisation method 2 to calculate compressibility, which is compliant with NZS5259.

During the audit the spreadsheet showing the energy conversion for one site for one day was extracted from EnergySys. The inputs were verified back to source correct (i.e. the metering data back to the raw file and the correct gas type data) and the outputs from the calculation back to the data sent to OATIS.

Gas types

Firstgas is the source of gas type information, used in its own energy conversion processes, but also made available to other participants to enable them to perform energy conversion.

Gas Chromatograph data arrives via SCADA and is automatically loaded into EnergySys. EnergySys then uses this to create gas type data, but these are reviewed by the team using the graphing tool and against operational information.

4.4 Identification of injection data errors (r44.1)

Firstgas uses a number of processes to ensure data is accurate and complete.

EnergySys identifies missing data and other data issues such as clocked meters. It creates estimated data using preset rules but presents these to the user by way of a worklist in Power BI. The user can then take steps to retrieve the missing data and upload this to EnergySys to override the estimate, or if the data is missing for some time, decide if they are happy with the automated estimate or override it with a better estimate in accordance with Schedule 1A . The default automated process uses data from the same day in the prior week or the previous day (whichever is more appropriate)

Where EnergySys identified data for the same time period that is different to the data already held this is surfaced to the team and they assess which data set should be used as the most appropriate.

Zaptic sends emails to the team to alert them to new field technician inputs that they should review and action. For example, a change on site, such as meter pressure, a meter or corrector exchange, a bypass or series proving activity. This also creates a worklist item in EnergySys to be reviewed and signed off.

Where the data isn't missing but the system has identified an error that needs correcting the user reviews the correction and either confirms it or replaces it. The workings remain in EnergySys associated to the data and can be viewed by any user.

EnergySys also generates worklists for sites outside of expected parameters which the team review and either accept as OK or follow up as appropriate.

Other issues that can lead to data review are information from the operations team about activities on site (e.g. a bypass, venting or series proving). They also receive test results from the metering laboratory; failed lab results can give rise to corrections.

As well as being reactive to system generated worklists and information from operations and the laboratory the team are proactive in looking for issues. They review line balances every day looking for spikes in transmission UFG that could indicate data or meter issues. They also use every meter read that comes in from site to do an automated BVI check (verifying device-calculated gas volume against manual pressure and temperature-based calculation) and PSFI check (a check of electronic versus mechanical meter reads).

EnergySys allows the team to graph any of the data it holds for any site over any period. This is a very useful tool when assessing estimated data, calculating corrections or investigating any data concerns arising from worklist management or proactive data quality investigation such as monitoring UFG or BVI checks.

Process for advising allocation agent of a material error in the data

The team constantly review data that has been estimated (predominantly missing data) to try and replace it with actual data as soon as possible. At month end there is an additional push to do this prior to data going to the allocation agent. However, if this has not been possible the allocation agent is notified of any issues that have required estimation prior to the midday on the 4th business day deadline by e-mail. Examples were viewed during the audit that were all done in a timely manner.

If the metering laboratory inform the team of a failed meter the team inform the allocation agent immediately. The team review the information relating to the failed metering as soon as practical and, if a correction is appropriate, calculate and apply the correction to the metering data in EnergySys and make it available by pushing the data to OATIS. A public notice is posted to say that data has been corrected. This process should also generate an email but the auditor found examples where the email step had been missed.

> **Recommendation:** That Firstgas review their processes for notifying the allocation agent of material errors in the data to ensure an email is always sent.

Alleged Breach

Advising the allocation agent of material errors - VCTX		
Non-compliance	Description	
Report section: 4.4 Rule: 44.1 From: the last audit To: The date of this audit	Audit history: Yes Controls: Need improvement Impact: Insignificant	The VCTX process for advising of material errors identified in the data is to post an OATIS notice and generate an automatic email to notify the allocation agent (and other industry participants) that a notice of material error has been posted. During the audit a number of such notices were found where the option to generate the necessary email had not been selected, therefore the allocation agent (and other industry participants) would not have known to go and view the notice about the material error. The auditor judged that just posting the notice, without sending the email, was not sufficient to constitute 'advising the allocation agent'. It does not meet the criteria specified in switching rule 23. The need for improvement is confined to the process for notifying the allocation agent. The wider processes for identification of data errors were found to be effective.

Remedial action rating	Remedial timeframe	Remedial comment
In progress	Suggest the new process should be in place by the end of next month	Firstgas are now aware of the requirements of rule 23

Audited party comment	
The circumstances of the matters outlined in the breach notice.	The use of the OATIS term 'Notice' was informally considered as notice but does not meet the criteria specified in switching rule 23.
Whether or not the participant admits or disputes that it is in breach.	Yes
Estimate of the impact of the breaches (where admitted).	Insignificant
What steps or processes were in place to prevent the breaches?	We publish an OATIS Notice for every metering correction that is published after the initial allocation.
What steps have been taken to prevent recurrence?	We are updating our processes to ensure that an email notification is sent from OATIS for these.

4.5 Correcting for gas gate metering errors (Sch 1A)

Transmission system owners must use the best information available to them at the time of calculating daily metered energy quantities (consistent with the table in Schedule 1A). The auditor viewed the processes used for generating corrections and also viewed some examples for compliance with schedule 1A.

EnergySys automatically calculates estimates for missing data using data for the same day in the previous week. Occasionally this can cause a problem, for example if there was a statutory holiday or there is a dairy factory that has started or stopped production in the last few days. Where appropriate the team will adjust an automatic estimate.

When a team member calculates a correction, a folder is created to show how the correction has been done in Process Book, which is added into EnergySys.

For example:

- where series proving has occurred EnergySys identifies the read at the start, the read at the end and removes the duplicate data.
- for a corrector exchange it uses the final read and the read on the new install and works out the gap

The auditor also reviewed a complex correction for the Taupo gas gate. The meter had been found to be faulty but couldn't be tested. The correction used data prior to the correction, downstream submission data and downstream UFG. The correction maintained historical UFG and applied it to the downstream data.

All the examples viewed met the requirements of schedule 1A.

4.6 Assignment of ICPs (switching rules 44.3)

FirstGas had created one new gas gate since the last audit, this was a direct connect (i.e. unallocated) gas gate. The auditor therefore reviewed their set up process against the switching rules requirements.

In the case of consumer installations directly connected to a transmission system, the distributor must assign an ICP identifier to the point of connection between the transmission system and the consumer installation. For direct connects, the TSO is defined as a distributor regarding the assignment of new ICP numbers.

Switching rule 43.1 and 43.2

These rules require that a distributor assign an ICP identifier for each consumer installation connected to its system. Each consumer installation must represent a single consumer installation that:

- may be isolated without affecting another consumer installation
- may have a single loss factor and network price category and
- has its gas volume measured directly by a single set of compliant metering equipment or indirectly by a method approved by the industry body

The new gas gate met these requirements.

Switching rule 44.3.2

The distributor must assign an ICP identifier which complies with switching rule 5.2 and GIC determinations under switching rule 44.1.

ICP identifier means the unique 15-character identifier assigned to each ICP, having the format, yyyyyyyyyyxxccc, where – yyyyyyyyyy is the gas connection number specified by the distributor and unique to that connection in the distributor's records; xx is an alphabetic combination, determined by the industry body, for use by the distributor when creating the ICP identifier; ccc is an alphanumeric checksum generated by an algorithm specified by the industry body.

Section 4.2 of the Notice of Determinations by the Industry Body (Gas Industry Co) under the Gas (Switching Arrangements) Rules 2008 states the 2 digit alphabetic combination for each distributor.

As VCTX seldom create ICP identifiers they asked distribution colleagues to assist and they provided their processes to create the identifier. This however resulted in the ICP identifier having the incorrect 2 digit alphabetic combination, 'NG' for Firstgas Limited (ex-Vector distribution) instead of 'VT' for Firstgas Limited (transmission).

Alleged Breach

Creation of incorrect ICP identifier - VCTX		
Non-compliance	Description	
Report section: 4.6 Rule: Switching rules 44.3.2 From: June 2024 To: June 2024	Audit history: Yes Controls: Not Adequate Impact: Insignificant	Firstgas transmission do not often create ICP identifiers, so used the process developed by Firstgas distribution to create this ICP identifier 1001305725NG6AF. This resulted in the use of the wrong 2 digit combination of 'NG' for Firstgas distribution instead of 'VT' for Firstgas transmission.

Remedial action rating	Remedial timeframe	Remedial comment
Complete	Immediate	The process has been revised

Audited party comment	
The circumstances of the matters outlined in the breach notice.	Yes, the event happened as described
Whether or not the participant admits or disputes that it is in breach.	Yes, the incorrect digits were used
Estimate of the impact of the breaches (where admitted).	Insignificant
What steps or processes were in place to prevent the breaches?	Not applicable
What steps have been taken to prevent recurrence?	Firstgas has created process note for ICP creation

Creation of new ICPs (switching rule 51.2, 51.3 and 53.1)

If the distributor receives a request from a retailer, they must assign an ICP identifier to the new consumer installation within 3 business days of the request or notify the retailer why the ICP cannot be assigned.

However, in this instance there was no 'retailer request'. The creation of the new gas gate was part of a transmission driven project, part of the wider Firstgas Broadlands project to

streamline the transmission system. The auditor therefore determined the 3 business day test was not applicable.

The relevant parameters were added into the gas registry within 2 business days of the business receiving confirmation from site that the gas gate had been connected (switching rule 51.3 and 53.1).

The parameters entered into the gas registry for the new ICP for load shedding, altitude, network pressure and network price category were reviewed and confirmed as valid.

Notices of gas gate creation/decommissioning (switching rule 45)

Rule 45 requires that distributors notify GIC, registry and allocation agent 20 business days prior to a gas gate creation or decommissioning taking effect.

Firstgas supplied a copy of the e-mail notifying this change to the relevant parties more than 20 business days prior to the start date.

5 Breach Allegations

All breach allegations are made under the Gas (Downstream Reconciliation) Rules 2008 unless otherwise stated.

Section	Summary of issue	Rules potentially breached
3.1	Incorrect contact details - MAUI	Switching rule 10.1.1
4.1	Missing hour of data - VCTX	26.2
4.4	Advising the allocation agent of material errors - VCTX	44.1
4.6	Creation of incorrect ICP identifier - VCTX	Switching rule 44.3.2

6 Conclusion

The summary of report findings shows that the Firstgas control environment, for the 9 areas evaluated, 7 had 'effective' controls and 2 areas were found to 'need improvement'. 4 of the areas were found to be 'not compliant'. Where non-compliance was identified the impact was found to be insignificant for all instances.

There was 1 breach allegation raised in relation to MAUI, 3 breach allegations are made in relation to VCTX. These are summarised in the breach allegations table above. The following recommendations were also made:

Recommendation: Firstgas review how they check non-telemetry data is complete before being made available to the allocation agent and find an effective technique that is easier to implement, so the check is not sacrificed in the interests of having the data ready on time.

Firstgas Comment: *We have revised our end of month processes to include a comparison spreadsheet that compared OATIS data for the month with EnergySys data and highlights any inconsistencies*

Recommendation: That Firstgas review their processes for notifying the allocation agent of material errors in the data to ensure an email is always sent.

Firstgas Comment: *We publish an OATIS Notice for every metering correction that is published after the initial allocation. We are updating our processes to ensure that an email notification is sent from OATIS for these.*

Recommendation: That Firstgas implement a monthly process of reviewing downstream UFG as an additional tool for identifying data/meter issues.

Firstgas Comment: *We will consider this; while downstream UFG is a time-delayed indicator that is reliant on multiple inputs; it is possible it may be supportive in identifying certain metering error scenarios.*

Appendix 1 – Control rating definitions[1]

Rating	Definition
Ineffective	• The design of controls overall is ineffective in addressing key causes and/or consequences. • Documentation and/or communication of the controls does not exist (e.g. policies, procedures, etc.). • The controls are not in operation or have not yet been implemented.
Needs improvement	• The design of controls only partially addresses key causes and/or consequences. • Documentation and/or communication of the controls (e.g. policies, procedures, etc.) are incomplete, unclear, or inconsistent. • The controls are not operating consistently and/or effectively and have not been implemented in full.
Acceptable	• The design of controls is largely adequate and effective in addressing key causes and/or consequences. • The controls (e.g. policies, procedures, etc.) have been formally documented but not proactively communicated to relevant stakeholders. • The controls are largely operating in a satisfactory manner and are providing some level of assurance.
Effective	• The design of controls is adequate and effective in addressing the key causes and/or consequences. • The controls (e.g. policies, procedures, etc.) have been formally documented and proactively communicated to relevant stakeholders. • The controls overall, are operating effectively so as to manage the risk.

[1] All relevant systems and processes in place

Appendix 2 – Impact rating definitions[2]

Rating	Definition
Insignificant	• A small number of issues with registry file timeliness and/or accuracy. Negligible impact on other participants or consumers. Did not prevent the process completing. • A small number of issues with the accuracy and/or timeliness of files to the allocation agent. Corrections were made by the interim allocation. A small number of issues not related to registry or allocation information.
Minor	• Some issues with registry file timeliness and/or accuracy. Minor impact on other participants or consumers. Did not prevent the process completing. • Some issues with the accuracy and/or timeliness of files to the allocation agent. Corrections were made by the interim allocation. A small number of issues not related to registry or allocation information.
Moderate	• A moderate number of issues with registry file timeliness and/or accuracy. Moderate impact on other participants or consumers. Did prevent some processes completing. • A moderate number of issues with the accuracy and/or timeliness of files to the allocation agent. Corrections were not made by the interim allocation. A moderate number of issues not related to registry or allocation information.
Major	• A significant number of issues with registry file timeliness and/or accuracy. Major impact on other participants or consumers. Did prevent some processes completing. • A significant number of issues with the accuracy and/or timeliness of files to the allocation agent. Corrections were not made by the interim allocation. A significant number of issues not related to registry or allocation information.

[2] These ratings are indicative and will be used as a guide only, to aid the Market Administrator's assessment of alleged breaches.

Appendix 3 – Remedial rating definitions

Rating	Definition
Completed	The alleged breach and impact have been resolved. Systems and processes are now compliant.
In progress	Steps are being taken to resolve the alleged breach and impact and ensure systems and processes are compliant.
No action	Participant undertakes no action to resolve or address auditor controls or impact assessments for commercial reasons.