



# PERFORMANCE AUDIT REPORT UNDER THE SWITCHING ARRANGEMENTS AND DOWNSTREAM RECONCILIATION RULES

Intellihub NZ Ltd as Meter Owner

Audit date: April to December 2025

Report date: 18 December 2025

Under the Gas (Switching Arrangements) Rules 2008 and the Gas (Downstream Reconciliation) Rules 2008 the Gas Industry Company has commissioned Langford Consulting to undertake a performance audit of Intellihub NZ Ltd in its role of meter 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 Intellihub NZ Ltd (Intellihub).

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 engagement commenced on 11 October 2024, but the start was delayed until April 2025 at the request of Intellihub. The audit process included a series of emails and a Teams meetings in July 2025.

The summary of report findings shows that the Intellihub control environment, for the 8 areas evaluated, was found to be “effective” for 1 area; “not applicable” for 2 areas; “not determined” for 2 areas and “ineffective” for 3 areas.

Two breach allegations are made in relation to Intellihub regarding the non-compliant areas and compliance with one area could not be determined.

## Summary of breach allegations

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

<b>Section</b>	<b>Summary of issue</b>	<b>Rules potentially breached</b>
4.1	Not compliant with NZS5259	Downstream rules 26.5, 27
4.5	Gas registry data could not be verified as accurate 12 out of 312 metering events were entered into the system more than 30 days after the event date  No gas registry activity had occurred since December 2023.	r 58.1

## Summary of report findings

Issue	Section	Control Rating	Compliance Rating	Comments
<b>GENERAL</b>				
Participant registration information	3.1	Effective	Compliant	The participant registry information was confirmed as current
Obligation to act reasonably	3.2	Not determined	Compliant	No examples of Intellihub acting unreasonably were found
Obligation to use registry software competently	3.3	Not determined	Compliant	No examples of Intellihub using software incompetently were found
<b>AS METER OWNER</b>				
Compliance with NZS5259	4.1	Ineffective	Not compliant	Intellihub could not demonstrate compliance with NZS5259
Provision of metering price codes	4.2	Not applicable	Not applicable	All ICPs are marked as DOA
Disclosure of ICP information	4.3	Ineffective	Could not be determined	Intellihub were unable to confirm if any disclosure of information requests had occurred, or if they had, how they were responded to
Registry information for new ICPs	4.4	Not applicable	Not applicable	Intellihub have not been a party to any new connections.
Maintenance of ICP information	4.5	Ineffective	Not compliant	Intellihub are no longer updating the registry and the data that is in the registry could not all be verified. 12 out of 312 metering events were entered more than 30 days after the event.

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## 1. Introduction

Under the Gas (Switching Arrangements) Rules 2008 (the rules) and the Gas (Downstream Reconciliation) Rules 2008 Gas Industry Company (GIC) commissioned Langford Consulting to undertake a performance audit of Intellihub NZ Ltd (Intellihub) as a meter owner. The audit was commissioned under rule 88 and was conducted within terms of reference prepared by GIC.

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>).

All references to the rules are made under the Gas (Switching Arrangements) Rules 2008 unless otherwise stated.

Intellihub is the meter owner for approximately 300 active ICPs, they started as a registry participant in October 2021. The meters are all on non-TOU sites and almost all are registered as advanced meters.

The engagement commenced on 11 October 2024 and involved email correspondence and a Teams meeting.

## 2. General Compliance

### 2.1 Switch Breach Report

Intellihub has received no breach allegations.

### 2.2 Summary of previous audit

Intellihub commenced as a participant on 15 October 2021 and has not been audited before.

### 2.3 Provision of information to the auditor

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

Intellihub were only able to provide some of the information requested. They provided the following statement:

*In 2021 IHUB Completed a comprehensive review of the requirements of being a smart gas meter owner.*

*The review resulted in IHUB setting up processes and procedures required to meet the code so they could enter the market.*

*Subsequently Intellihub rolled out a pilot of 301 gas meters.*

## 3. General obligations

### 3.1 Participant registration information

The participant register information for Intellihub was last updated in October 2021, the contact details were tested and found to be current.

### 3.2 Obligation to act reasonably

No examples of Intellihub acting unreasonably in relation to its dealings with the registry or in cooperating with other registry participants were identified (rule 34).

### 3.3 Obligation to use registry software competently

No examples of Intellihub using registry software in an improper manner were found (rule 35). However, the auditor had no opportunity to observe its processes for the use of the registry.

## 4. Obligations as meter owner

Intellihub is part of an Australian/Canadian owned company specialising in metering of various utilities. It is the meter owner for approximately 300 ICPs in allocation group 6 and 1 ICP in allocation group 4. This was a pilot project for Intellihub, entering the NZ gas meter market deploying smart gas meters.

In the registry all the Intellihub sites are marked as having advanced meters except for 7. It was not clear to the auditor whether the Intellihub portfolio therefore includes 7 sites that are not advanced meters, or whether the registry entries for these sites were incorrect.

None of the sites were new ICPs, they were all commissioned prior to Intellihub becoming the meter owner. None of the sites have loggers, correctors or telemetry.

All the meters are marked as metering price category DOA.

### 4.1 Compliance with NZS5259

The focus of this audit is predominantly the switching rules, but it extends to the Gas (Downstream Reconciliation) rules with respect to Intellihub as meter owner, in particular to rules 26.5 and 27. These rules specifically require meter owners to support compliance with and verify accuracy in accordance with NZS5259. Compliance with this standard is therefore included within the scope of this audit.

#### 4.1.1 Documentation

NZS5259 requires documentation be kept demonstrating conformance with the requirements of the standard. The documentation requirements can be summarised as follows:

NZS5259 section 2 sets out performance requirements.

- Records shall be kept of the suitability of the GMS components for the life of the asset (NZS5259 2.8.2)
- Documentation shall be kept of the acceptance testing, installation, operating conditions, and maintenance of the GMS components for the duration of its service (NZS5259 2.8.3)

NZS5259 section 3 provides a means of compliance. Alternative methods for establishing compliance with the section 2 requirements may be used provided they are tested and documented.

- Records shall be kept to monitor the performance and maintenance of each GMS component, for at least the life of each component and shall include the results of all acceptance and as-found tests and the date and details of all maintenance. (NZS5259 3.7.1)
- Records shall be kept for each complete GMS detailing all inspections, maintenance and changes to the components and shall include the identity, location and date of installation of each installed component, maintenance test results and the scheduled dates for the next maintenance, test or replacement. (NZS5259 3.7.2)
- Procedures for selection, installation and maintenance of GMSs shall be documented. (NZS5259 3.7.3)

The auditor requested documentation to demonstrate compliance NZS5259 for a sample of 8 sites. Installation information was provided for 6 out of the sample of 8, showing photos and paperwork supplied by Electrix at the time of installation.

Two flow charts were provided, one showing the meter deployment process, the other showing the process for faults/new connections. The processes showed that Electrix were used as a contractor, that SAP was used for holding asset/billing data and that Nova was the source of new connection jobs.

No other documentation was provided.

#### 4.1.2 Operation and maintenance

The auditor requested a copy of the meter maintenance programme for the last 6 months. None was provided.

A list of reactive maintenance visits was provided. It showed 5 site visits between November 2024 and April 2025.

Intellihub provided paperwork relating to a post installation audit that they had completed by Electrix for a sample of approximately 10% of sites in April 2024.

#### 4.1.3 Testing

The auditor requested copies of acceptance and as found test results for the last 4 months, none were supplied.

The auditor concluded that Intellihub were not compliant with the NZS5259 requirement to keep documentation and could not demonstrate compliance with other aspects of NZS5259 including the selection of equipment, testing, installation and maintenance.

### **Alleged breach**

Not compliant with NZS5259		
Non-compliance	Description	
Report section: 4.1 Rule: Downstream rules 26.5, 27  From: October 2021 To: Date of audit	Audit history: None  Controls: Ineffective  Impact: Moderate	IHUB could not supply the documentation required by NZS5259 for 2 out of a sample of 8 ICPs. They were also unable to supply testing or maintenance records or processes/procedures to demonstrate compliance with other aspects of NZS5259 such as required for equipment selection, installation, testing or maintenance.
Remedial action rating	Remedial timeframe	Remedial comment
No action	If Intellihub continue to own these assets	IHUB should undertake a review of the requirements of NZS5259, document compliant procedures and implement them.
Audited party comment		
The circumstances of the matters outlined in the breach notice.	Intellihub entered the market on a trial basis in 2021 after extensive research of the requirements of NZS5259. The metering equipment and balance of plant that were used were aligned to market standards. Workflows were implemented as per the code and established contractors in the industry were contracted for the installation work.	
Whether or not the participant admits or disputes that it is in breach.	We believe the installation work performed met the NZS5259 standard. Industry experts were contracted to perform post installation audits. Other than general requested maintenance there has been limited scheduled fleet maintenance work since the installation as required by the code.	
Estimate of the impact of the breaches (where admitted).	In our view there would be very low impact on the market as the meters and balance of plant were installed new in 2021 and remain compliant and accurate.	

### **4.2 Provision of metering price codes**

All the Intellihub ICPs are marked as "DOA", so no metering price code information was supplied.

### 4.3 Disclosure of ICP information

It is not known if Intellihub have received any pricing enquiries under rule 50.2 and, if so, whether they have complied with the disclosure requirements of rule 50.2 to respond to the requester within the required timeframes and not to unreasonably withhold disclosure.

### 4.4 Registry information for new ICPs

Intellihub have not been a party to any new connections.

### 4.5 Maintenance of ICP information

The auditor requested a report be extracted from Intellihub's SAP system to compare the registry fields against the information in Intellihub's internal system, to help verify the accuracy of the registry information. The report was not supplied so this check could not be completed.

312 metering events had occurred since Intellihub had registered as a participant. Of these 12 were entered into the system more than 30 days after the event date.

ICP no	Effective date	Date entered
0000002361QTDE5	13/07/2023	30/08/2024 13:05
0000037471QTE46	27/10/2021	6/12/2021 14:41
0000099661QT0C4	25/05/2022	12/02/2024 10:19
0000265881QTAB1	15/10/2021	18/11/2021 11:53
0000791211QT193	15/10/2021	18/11/2021 11:57
0000944391QTCBA	15/10/2021	18/11/2021 11:59
0001422037QT1AA	15/10/2021	18/11/2021 12:00
0001436982QT93F	15/10/2021	18/11/2021 12:02
0001449870QT370	15/10/2021	18/11/2021 12:04
0002102671QTB53	22/02/2022	27/04/2022 9:44
0004228854NGF24	23/05/2023	8/09/2023 14:34
1001108704QT381	15/10/2021	18/11/2021 12:04

The auditor requested original paperwork to support registry entries for 8 ICPs. Intellihub were able to supply documentation to demonstrate the accuracy of the registry entries for 6 ICPs. Of the other two, one had not had any registry updates for metering since 2016 so will be a pre-existing site that Intellihub had acquired, the other had been updated by Intellihub in 2021 but Intellihub were unable to find the supporting evidence for the entries.

Intellihub provided a table summarising how long it had taken them to update the registry for the sites where they had done installs. The majority were uploaded within 8 days but some older ones had held back the average to 6 days.

Reg Update Days	Count of ICP
0	8
1	56
2	55
3	40
4	39
5	28
6	21
7	15
8	8
9	6
10	2
12	2
17	1
20	1
24	1
64	1
627	1
<b>Grand Total</b>	<b>285</b>

There were no registry events in 2024, which is consistent with Intellihub reporting that they are no longer actively managing these assets.

The auditor concluded that Intellihub are no longer maintaining the registry.

### Alleged Breach

Gas registry maintenance/accuracy		
Non-compliance	Description	
Report section: 4.5  Rule: Rule 58.1  From: January 2024  To: Date of audit	Audit history: None  Controls: Ineffective  Impact: Moderate	The auditor was unable to verify whether gas registry data was accurate against Intellihub's SAP system. Documentation was provided to confirm registry entries for 6 out of the requested 8 ICPs.  12 out of 312 metering events had been entered into the registry more than 30 days after the event.  No gas registry activity had occurred since December 2023, which suggests the registry is not being maintained.
Remedial action rating	Remedial timeframe	Remedial comment
No action	If Intellihub continue to own these assets	IHUB should consider their obligations under the Rules and implement processes sufficient to provide assurance to a future auditor of their compliance

Audited party comment	
The circumstances of the matters outlined in the breach notice.	Intellihub entered the market on a trial basis in 2021 after extensive research of the requirements to populate the registry. Workflows were implemented as per the requirements.
Whether or not the participant admits or disputes that it is in breach.	We believe the registry data was correctly updated following the installations. There is limited registry work required as we ceased installing more gas metering equipment.
Estimate of the impact of the breaches (where admitted).	We believe there would be very low impact if any due to no longer actively doing any metering work.

## 5. Breach allegations

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

Section	Summary of issue	Rules potentially breached
4.1	Not compliant with NZS5259	Downstream rules 26.5, 27
4.5	Gas registry data could not be verified as accurate 12 out of 312 metering events were entered in the registry more than 30 days after the event. No gas registry activity had occurred since December 2023, the registry is not being maintained	Rule 58.1

## 6. Conclusion

The summary of report findings shows that the Intellihub control environment, for the 8 areas evaluated, was found to be “effective” for 1 area; “not applicable” for 2 areas; “not determined” for 2 areas and “ineffective” for 3 areas.

Two breach allegations are made in relation to Intellihub, summarised in the table above. Compliance with one area could not be determined.

## Appendix 1 – Control rating definitions<sup>1</sup>

Rating	Definition
<b>Ineffective</b>	<ul style="list-style-type: none"> <li>The design of controls <u>overall is ineffective</u> in addressing key causes and/or consequences.</li> <li>Documentation and/or communication of the controls <u>does not exist</u> (e.g. policies, procedures, etc.).</li> <li>The controls are <u>not in operation</u> or have not yet been implemented.</li> </ul>
<b>Needs improvement</b>	<ul style="list-style-type: none"> <li>The design of controls <u>only partially</u> addresses key causes and/or consequences.</li> <li>Documentation and/or communication of the controls (e.g. policies, procedures, etc.) are <u>incomplete, unclear, or inconsistent</u>.</li> <li>The controls are <u>not operating consistently</u> and/or effectively and have not been implemented in full.</li> </ul>
<b>Acceptable</b>	<ul style="list-style-type: none"> <li>The design of controls is <u>largely adequate and effective</u> in addressing key causes and/or consequences.</li> <li>The controls (e.g. policies, procedures, etc.) <u>have been formally documented but not proactively communicated</u> to relevant stakeholders.</li> <li>The controls are <u>largely operating in a satisfactory manner</u> and are providing some level of assurance.</li> </ul>
<b>Effective</b>	<ul style="list-style-type: none"> <li>The design of controls is <u>adequate and effective</u> in addressing the key causes and/or consequences.</li> <li>The controls (e.g. policies, procedures, etc.) have been <u>formally documented and proactively communicated</u> to relevant stakeholders.</li> <li>The controls overall, are <u>operating effectively</u> so as to manage the risk.</li> </ul>

<sup>1</sup> All relevant systems and processes in place

## Appendix 2 – Impact rating definitions<sup>2</sup>

Rating	Definition
<b>Insignificant</b>	<ul style="list-style-type: none"> <li>• A <u>small number of issues</u> with registry file timeliness and/or accuracy. <u>Negligible impact</u> on other participants or consumers. <u>Did not prevent</u> the process completing.</li> <li>• A <u>small number of issues</u> with the accuracy and/or timeliness of files to the Allocation Agent. Corrections <u>were</u> made by the interim allocation. A <u>small number of issues</u> not related to registry or allocation information.</li> </ul>
<b>Minor</b>	<ul style="list-style-type: none"> <li>• <u>Some issues</u> with registry file timeliness and/or accuracy. <u>Minor impact</u> on other participants or consumers. <u>Did not prevent</u> the process completing.</li> <li>• <u>Some issues</u> with the accuracy and/or timeliness of files to the Allocation Agent. Corrections <u>were</u> made by the interim allocation. A <u>small number of issues</u> not related to registry or allocation information.</li> </ul>
<b>Moderate</b>	<ul style="list-style-type: none"> <li>• A <u>moderate number of issues</u> with registry file timeliness and/or accuracy. <u>Moderate impact</u> on other participants or consumers. <u>Did prevent</u> some processes completing.</li> <li>• A <u>moderate number of issues</u> with the accuracy and/or timeliness of files to the Allocation Agent. Corrections <u>were not</u> made by the interim allocation. A <u>moderate number of issues</u> not related to registry or allocation information.</li> </ul>
<b>Major</b>	<ul style="list-style-type: none"> <li>• A <u>significant number of issues</u> with registry file timeliness and/or accuracy. <u>Major impact</u> on other participants or consumers. <u>Did prevent</u> some processes completing.</li> <li>• A <u>significant number of issues</u> with the accuracy and/or timeliness of files to the Allocation Agent. Corrections <u>were not</u> made by the interim allocation. A <u>significant number</u> of issues not related to registry or allocation information.</li> </ul>

<sup>2</sup> 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	Controls	Impact
<b>Completed</b> (done)	Compliant.	No impact, or the impact is resolved.
<b>In progress</b> (underway)	Not compliant. Resolution pathway is clear, and a fix is underway.	There is an impact. Resolution pathway is clear, and a fix is underway.
<b>No action</b> (won't happen)	Not compliant. Participant won't be taking remedial action.	No impact, or if there is a possible impact, the participant will not be seeking resolution.