



INFORMATION

Newmont Power Pty Ltd

PERFORMANCE AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW

The Economic Regulation Authority today published the 2011 performance audit (**audit**) report and post-audit implementation plan for Newmont Power Pty Ltd's (**Newmont**) electricity retail and distribution licences (ERL9 and EDL4 respectively), and the 2011 asset management system review (**review**) report for Newmont's electricity distribution licence (EDL4).

After considering the audit and review reports, the Authority has decided to maintain the period of time until the next audit and review at 36 months.

In the 2011 audit, the auditor excluded 16 obligations under the *Electricity Industry Customer Transfer Code 2004* on the grounds that they did not apply to the Newmont licence. The Authority does not agree that this is the case. All 16 obligations were rated non-compliant in the 2008 audit and the 2011 audit does not provide any evidence that the non-compliances have been rectified. The Authority has written to Newmont requesting they either provide evidence that they complied with the obligations at the time the 2011 audit was conducted, or otherwise amend the 2011 post-audit implementation plan to include the 16 non-compliances.

The Authority does not agree with the auditor's rating of "Not Rated" for the effectiveness of the "review of asset management system" component of the asset management system. The information provided in the review report appears to provide sufficient information for the auditor to make an assessment of the effectiveness of the processes used by Newmont and its owners to manage the distribution assets. The Authority has requested that Newmont provide written details of the processes used by Newmont and its owners to meet its obligations to regularly review the system used to manage the distribution assets by 31 May 2012.

Copies of the [audit](#) and [review reports](#) and the [post-audit implementation plan](#) are available on the Authority's website.

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