



## INFORMATION

### TEC Desert Pty Ltd & TEC Desert No. 2 Pty Ltd (t/a Southern Cross Energy Partnership)

#### 2011 PERFORMANCE AUDIT AND ASSET MANAGEMENT REVIEW

The Economic Regulation Authority today published the 2011 performance audit (**audit**) and asset management system review (**review**) reports for TEC Desert Pty Ltd & TEC Desert No. 2 Pty Ltd's (t/a Southern Cross Energy Partnership) (**SCE**) electricity retail licence (ERL7), electricity distribution licence (EDL3), electricity transmission licence (ETL4) and electricity generation licence (EGL13).

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

In the 2011 audit, the auditor excluded 16 obligations under the *Electricity Industry Customer Transfer Code 2004 (the Code)* on the grounds that they did not apply to the SCE licence. The excluded obligations require SCE to develop documentation in respect of customer transfers or to adhere to specified communication rules when dealing with the network operator for customer transfer related matters.

The Authority does not agree with the auditor's decision to exclude these 16 obligations and has requested SCE to 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.

With regards to the review, 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 review. The review report appears to provide sufficient information for the auditor to make an assessment of the effectiveness of the processes used by SCE and its owners to manage the assets. The Authority has requested that SCE provide written details of the processes that ensure the regularity of reviews of its asset management system, by 30 April 2012.

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

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