



FINAL REPORT  
2012 Performance Audit  
ERM Power Retail Pty Ltd  
Retail Licence ERL15

Audit Report	Authorisation	Name	Position	Date
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Agreed By (licensee)		Steve Rogers	Executive General Manager Retail Operations	30 <sup>th</sup> January 2013

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## Contents

## Contents

<b>1. Executive Summary.....</b>	<b>4</b>
1.1 Performance Audit Summary .....	7
<b>2. Performance Audit.....</b>	<b>12</b>
2.1 Performance Audit Scope .....	12
2.2 Performance Audit Objective .....	13
2.3 Performance Audit Methodology .....	14
2.4 Key Documents & Systems Reviewed .....	15
2.5 Performance Audit Summary of Recommendations & Post Implementation Plan .....	16
<b>3. Follow up Audit Process.....</b>	<b>18</b>

## LIST OF APPENDICES

1. ERM Power Performance Audit November 2012

## Glossary of Terms

CTR – Customer Transfer Request  
CRM – Customer Record Management System  
ERA – Economic Regulation Authority  
ERL15 – Electricity Retail Licence 15  
ETAC – Electricity Transfer Access Contract  
GES - Geographe Environmental Services Pty Ltd  
NMI – National Metering Identifier  
SAGE EMS – Energy Management System, backbone of IT operational platform  
REA – Retail Electricity Agreement  
IMO – Independent Market Operator  
ERM Power – ERM Power Retail Pty Ltd  
REC – Renewable Energy Credit  
RFP – Request for Proposal  
WEM – Wholesale Electricity Market  
SAP – ERM Power’s new enterprise risk management and accounting system  
WPC – Western Power Corporation  
WPN – Western Power Networks  
Small Use Customer – customers with consumption of 160MWh or less per annum  
Contestable Customer – customer consuming more than 50 megawatt hours of electricity a year

*This report is prepared by representatives of Geographe Environmental Services Pty Ltd in relation to the above named client’s conformance to the nominated audit standard(s). Audits are undertaken using a sampling process and the report and its recommendations are reflective only of activities and records sighted during this audit process. Geographe Environmental Services Pty Ltd shall not be liable for loss or damage caused to or actions taken by third parties as a consequence of reliance on the information contained within this report or its accompanying documentation.*

## 1. EXECUTIVE SUMMARY

ERM Power Retail Pty Ltd (ERM Power) engaged Geographe Environmental Services Pty Ltd to undertake its first Performance Audit as required by the Economic Regulation Authority (ERA) under Retail Licence ERL15. This report contains the audit findings for the performance audit.

ERM Power is a wholly owned subsidiary of ERM Power Limited, whose operations encompass electricity sales, generation and gas exploration. ERM Power as a retail group is in essence a reseller of electricity supplies and the distribution network for electricity supplies to ERM Power customers is provided through an Electricity Transfer Access Contract (ETAC) with Western Power Networks (WPN).

ERM Power commenced supply to their first electricity customer on the 1st of July 2011. Currently, in the WA Electricity Market, ERM Power focuses its core business operations on large industrial and commercial customers. ERM Power does not have any “customers” as defined in the Code of Conduct for the Supply of Electricity to Small Use Customers 2008 and ERM Power has to date not supplied to customers with consumption of 160MWh or less per annum.

All of ERM Power’s customers are based within the South West Interconnected System (SWIS). Sales and marketing activities are managed through both the Perth and Brisbane offices of ERM Power. Business support services including accounts and IT services are managed through the Brisbane Office. There were no major changes in the licence or the licensee’s business activities during the audit. The audit was conducted via a site visit to the Brisbane office and liaison with the WA Account Manager.

ERM Power is a pioneering organisation in the field of developing IT systems to support its operations and has very robust systems established which ensure compliance and customer service is prioritised. The organisation was recently rated number one for overall customer satisfaction. This was the result of the UMI Customer Benchmarking Survey of business customers in the retail electricity industry by independent research company NTF Group in 2011.

Sections 13 of the *Electricity Industry Act 2004* requires as a condition of every licence that the licensee must, not less than once in every period of 24 months (or any longer period that the Authority allows) calculated from the grant of the licence, provide the Authority with a Performance Audit conducted by an independent expert acceptable to the Authority.

The Performance Audit has been conducted in order to assess the licensee's level of compliance with the conditions of its licence.

The Authority approved the appointment of Geographe Environmental Services Pty Ltd on the 10<sup>th</sup> August 2012 (ERA Reference D93406), and subsequently required the development of an audit plan for ERA approval. An audit plan was prepared for the Retail Licence and approval of the audit plan was provided on the 2<sup>nd</sup> November 2012 (ERA Reference D98498).

The Audit has been executed as planned in accordance with the process flowchart for performance/operational audits as detailed in the Audit Guidelines – Electricity, Gas and Water Licences (August 2010).

The period for the audit is, 15th October 2010 to 31st October 2012 and the submission of this report as determined with the Authority is evidence of compliance.

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## BUSINESS BACKGROUND

Across Australia ERM Power sells electricity to commercial and industrial customers, owns 442 megawatts (beneficial interest) and operates 982 MW of low emission gas-fired power stations, and has a successful gas exploration business with interests in more than 10,000 km<sup>2</sup> of acreage in Western Australia.

The organisation has an Electricity Retail Licence (ERL15) issued by the Economic Regulation Authority (ERA) under sections 7 and 15(2) of the Electricity Industry Act 2004.

## AUDIT CONCLUSION

The Performance Audit has been conducted in order to assess the effectiveness of the ERM Power's level of compliance with the conditions of its Retail Licence ERL15. Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that ERM has complied with its Retail Licence as it applies to its operations and activities during the audit period. The control environment operated by the licensee is well established and is regulated by government organisations, shareholders and corporate requirements which effectively filter through to the organisations operations. Of particular note is the capacity of the organisation to develop industry leading systems to support their operations. Evidence of such systems was noted in the Customer Portal, the CRM and the IT support systems. These systems are used by the organisation to manage workflow process and ensure a high level of accountability, customer service and record management. During the audit period 15th October 2010 to 31st October 2012, the Licensee has complied with its Retail Licence. This audit report is an accurate representation of the audit teams findings and opinions.

## 1.1 Performance Audit Summary

The Audit Teams findings are detailed in Table 1 below, which interprets the findings of Appendix 1 against the Retail Licence clauses. The areas that have been omitted due to being Not Applicable or Not Rated are shown as shaded .

A comprehensive report of the audit findings as applicable to the Electricity Compliance Reporting Manual (May 2011) is included in Appendix 1.

**Table 1: Compliance Summary Table**

Reference	Retail Licence Criteria	Likelihood	Consequences	Inherent Risk	Adequacy of existing controls	Audit Priority	Type	Compliance Rating						
								NA	NR	1	2	3	4	5
SECTION 8: TYPE 1 REPORTING REQUIREMENTS														
235* (221)	Code of Conduct clause 7.6					N/A	1	✓						
236* (222)	Code of Conduct clause 7.7(1)					N/A	1	✓						
251* (237)	Code of Conduct clause 9.6(1)  NB: Previously Number 9.5(1)					N/A	1	✓						
252* (238)	Code of Conduct clause 9.6(2)  NB: Previously Number 9.5(2)					N/A	1	✓						
SECTION 9: ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 3 - CUSTOMER/ CONNECTION INFORMATION/DATA														
6	3.2(2)	Unlikely	Minor	Low	Strong	5	2							✓
7	3.4(1)	Unlikely	Minor	Low	Strong	5	2							✓
8	3.5(3)	Unlikely	Moderate	Medium	Strong	4	2		✓					
9	3.6(2)	Unlikely	Moderate	Medium	Strong	4	2		✓					
16	3.9(1)	Unlikely	Moderate	Medium	Strong	4	2						✓	
17	3.9(2)	Unlikely	Moderate	Medium	Strong	4	2							✓
18	3.9(3)	Unlikely	Moderate	Medium	Moderate	4	2						✓	

19	3.9(4)	Unlikely	Moderate	Medium	Moderate	4	2							✓	
23	4.2(2)	Unlikely	Moderate	Medium	Moderate	4	2								✓
24	4.3	Unlikely	Moderate	Medium	Moderate	4	2								✓
25	4.4(1)	Unlikely	Minor	Low	Strong	5	2								✓
26	4.4(2)	Unlikely	Minor	Low	Strong	5	2								✓
27	4.5(1)	Unlikely	Minor	Low	Strong	5	2								✓
28	4.6(3)	Unlikely	Moderate	Medium	Strong	4	2		✓						
29	4.7	Unlikely	Minor	Low	Strong	5	2								✓
30	4.8(2)	Unlikely	Moderate	Medium	Moderate	4	2		✓						
34	4.9(6)	Likely	Moderate	Medium	Strong	4	2							✓	
39	4.11(3)	Unlikely	Moderate	Medium	Moderate	4	2		✓						
40	4.12(3)	Unlikely	Moderate	Medium	Moderate	4	NR								✓
43	4.15	Probable	Minor	Low	Strong	5	NR		✓						
44	4.16	Unlikely	Moderate	Medium	Strong	4	2							✓	
45	4.17	Unlikely	Moderate	Medium	Strong	4	2								✓
48	5.1(4)	Unlikely	Moderate	Medium	Strong	4	2							✓	
49	6.2	Unlikely	Minor	Low	Strong	5	2								✓
52	6.4(1)	Unlikely	Moderate	Medium	Strong	4	2		✓						
53	6.4(2)	Unlikely	Moderate	Medium	Strong	4	2		✓						
54	6.6	Unlikely	Moderate	Medium	Strong	4	2								✓
55	7.1(1)	Probable	Moderate	Medium	Moderate	4	NR		✓						
56	7.1(2)	Probable	Moderate	Medium	Moderate	4	NR		✓						
57	7.1(3)	Unlikely	Moderate	Medium	Strong	4	2		✓						
58	7.2(4)	Probable	Minor	Low	Strong	5	NR		✓						
59	7.3(2)	Unlikely	Minor	Low	Strong	5	NR		✓						
68	Annex 6 clause A6.2(a)	Unlikely	Minor	Low	Strong	5	NR								✓
69	Annex 6 clause A6.2(b)	Unlikely	Minor	Low	Strong	5	2								✓
70	Annex 6 clause A6.6	Unlikely	Minor	Low	Strong	5	NR								✓
71	Annex 6 clause A6.7	Unlikely	Minor	Low	Strong	5	NR								✓
<b>SECTION 11: ELECTRICITY INDUSTRY (CUSTOMER CONTRACTS) REGULATIONS – LICENCE CONDITIONS AND OBLIGATIONS</b>															
78 – 80	Licence Condition 5.1					N/A	2	✓							



81-98	Licence Condition 5.1					N/A	2	✓							
100	Licence Condition 28.1					N/A	2	✓							
<b>SECTION 12: ELECTRICITY INDUSTRY ACT - LICENCE CONDITIONS AND OBLIGATIONS</b>															
101	Licence Condition 14.1	Unlikely	Moderate	Medium	Strong	4	NR							✓	
105	Licence Condition 4.1	Unlikely	Moderate	Medium	Strong	4	2							✓	
106	Licence Condition 5.1	Unlikely	Moderate	Medium	Strong	4	NR								✓
107-111	Licence Condition (Refer Appendix 1)					N/A	2	✓							
113	Licence Condition 5.1	Unlikely	Moderate	Medium	Strong	4	2								✓
<b>SECTION 13: ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS</b>															
114-118	Licence Condition (Refer Appendix 1)					N/A	**	✓							
119	Licence Condition 12.1	Unlikely	Moderate	Medium	Strong	4	2								✓
120	Licence Condition 13.4					N/A	2	✓							
121	Licence Condition 14.2	Unlikely	Moderate	Medium	Strong	4	2								✓
123	Licence Condition 15.1	Unlikely	Moderate	Medium	Strong	4	2		✓						
124	Licence Condition 16.1	Unlikely	Moderate	Medium	Strong	4	2								✓
125	Licence Condition 17.1 & 17.2	Unlikely	Moderate	Medium	Strong	4	2								✓
126	Licence Condition 18.1	Unlikely	Moderate	Medium	Strong	4	2								✓
<b>SECTION 14: CODE OF CONDUCT FOR SUPPLY OF ELECTRICITY TO SMALL USE CUSTOMERS - LICENCE CONDITIONS AND OBLIGATIONS</b>															
127-329	Licence condition 23.1 & Code of conduct (refer Appendix 1)					N/A	**	✓							
<b>SECTION 15: ELECTRICITY INDUSTRY METERING CODE - LICENCE CONDITIONS AND OBLIGATIONS</b>															
349	3.11(3)	Unlikely	Moderate	Medium	Strong	4	2								✓
361	3.16(5)	Unlikely	Moderate	Medium	Strong	4	2	✓							
363	3.18(1)					N/A	2	✓							
372	3.27	Unlikely	Moderate	Medium	Strong	4	2		✓						
379	4.4(1)	Unlikely	Minor	Low	Strong	4	NR								✓
380	4.5(1)	Unlikely	Minor	Low	Strong	5	NR								✓
381	4.5(2)	Unlikely	Moderate	Medium	Strong	4	2								✓
393	5.4(2)	Unlikely	Minor	Low	Strong	5	NR								✓

395	5.5(3)	Unlikely	Moderate	Medium	Strong	4	2							✓
406	5.16	Unlikely	Moderate	Medium	Strong	4	2	✓						
407	5.17(1)	Unlikely	Moderate	Medium	Strong	4	2							✓
408	5.18	Unlikely	Moderate	Medium	Strong	4	2							✓
409	5.19(1)	Unlikely	Minor	Low	Strong	5	NR							✓
410	5.19(2)	Unlikely	Minor	Low	Strong	5	NR							✓
411	5.19(3)	Unlikely	Moderate	Medium	Strong	4	2							✓
412	5.19(4)	Unlikely	Moderate	Medium	Strong	4	2							✓
414	5.19(6)	Unlikely	Minor	Low	Strong	5	NR							✓
420	5.21(5)	Unlikely	Moderate	Medium	Strong	4	2							✓
421	5.21(6)	Unlikely	Moderate	Medium	Strong	4	2							✓
439	5.27	Unlikely	Moderate	Medium	Strong	4	2							✓
446	6.1(2)	Unlikely	Moderate	Medium	Strong	4	2							✓
448	7.2(1)	Unlikely	Minor	Low	Strong	5	NR							✓
450	7.2(4)	Unlikely	Moderate	Medium	Strong	4	2							✓
451	7.2(5)	Unlikely	Moderate	Medium	Strong	4	2							✓
452	7.5	Unlikely	Moderate	Medium	Moderate	4	2							✓
453	7.6(1)	Unlikely	Moderate	Medium	Moderate	4	2							✓
454	8.1(1)	Unlikely	Minor	Low	Strong	5	NR		✓					
455	8.1(2)	Unlikely	Minor	Low	Strong	5	NR		✓					
456	8.1(3)	Unlikely	Minor	Low	Strong	5	NR		✓					
457	8.1(4)	Unlikely	Moderate	Medium	Strong	4	2		✓					
458	8.3(2)	Unlikely	Minor	Low	Strong	5	NR		✓					
<b>SECTION 17: ELECTRICITY LICENCES - LICENSEE SPECIFIC CONDITIONS AND OBLIGATIONS - NOT APPLICABLE TO ERM POWER LIMITED</b>														
NA	**					N/A	**							

Notes

\* There is an error in the Electricity Compliance Reporting Manual May 2011 and the above reference are correctly listed with the error as referred to in the document in brackets.

\*\* Refer Appendix 1

The shaded area denotes item not assessed as not applicable refer Appendix 1 for detail

**Table 2: Operational/Performance Audit Rating Scale**

Compliance Status	Rating	Description of Compliance
Compliant	5	Compliant with no further action required to maintain compliance
Compliant	4	Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
Non-Compliant	2	Does not meet minimum requirements
Significantly Non-Compliant	1	Significant weaknesses and/or serious action required
NA		Not Applicable to Audit Scope
NR		Not Rated

The Table below details the overall number of licence obligations assessed are summarised by audit priority ratings below. Audit Priority

**Table 3: Licence Obligations & Audit Priority Relationship**

		Audit Priority					
Assessment	Total	1	2	3	4	5	NA
Compliant 5	46	0	0	0	29	17	0
Compliant 4	8	0	0	0	8	0	0
Compliant 3	0	0	0	0	0	0	0
Non-compliant 2	0	0	0	0	0	0	0
Significantly Non-compliant 1	0	0	0	0	0	0	0
Not Applicable	231	0	0	0	0	0	231
Not Rated *	20	0	0	0	13	7	0

\*Note Where an obligation did eventuate during the audit period and as such it was not possible to form an opinion about compliance, the item was not rated.

## **2. PERFORMANCE AUDIT**

### **2.1 Performance Audit Scope**

This is the first audit of ERM Power compliance with obligations relating to Retail Licence ERL15. As such, the scope of the audit is to:

- assess the license holders internal compliance systems
- assess the license holders compliance with its license

for the period 15th October 2010 to 31st October 2012. The time period over which this audit was conducted was 5<sup>th</sup> November 2012 to 6<sup>th</sup> November 2012 in the Brisbane Offices of ERM Power.

As there were no performance standards defined within the Retail Licence the Authority's Electricity Compliance Reporting Manual (May 2011) were used as the performance criteria for the compliance elements.

The following people were interviewed during the Performance Audit;

- General Manger Retail
- Retail Counsel
- Settlements Analyst
- Account Manager (WA)
- Western Power – Account Manager
- General Manager Regulatory Affairs
- Electricity Broker Manager
- Billing Manager
- IT Manager

## 2.2 Performance Audit Objective

The objective of the performance audit, as defined by the Audit Guidelines, is to assess the effectiveness of measures taken by the licensee to meet obligations of the performance and quality standards referred to in the licence.

In addition to compliance requirements, a specific focus is to be taken on the systems and effectiveness of processes used to ensure compliance with the standards, outputs and outcomes required by the licence. The audit outcome is to identify areas of non-compliance and areas of compliance where improvement is required and recommend corrective action as necessary.

The Audit was conducted in three phases as defined by the Audit Guidelines. The phases and the appropriate audit guide/tool are detailed in Table 4 below;

**Table 4: Performance Audit Methodology and Allocated Hours**

Phase	Auditor	Hours	Relevant Auditing Standard
1. Risk & Materiality Assessment  Outcome - Operational/ Performance Audit Plan	Nicole Davies	16	AUS 302: Planning AUS 402: Risk Assessments and Internal Controls AUS 808: Planning Performance Audits AS/NZS ISO 19011:2003: Guidelines for quality and/or environmental management systems auditing (i.e consistent with AUS 302) AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines
2. System Analysis	Nicole Davies	8	AS/NZS 9004:2011: A Quality Management Approach – Managing for the sustained success of an organisation AUS 810: Special Purpose Reports on Effectiveness of Control Procedures AS 3806-2006: Compliance Programs
3. Fieldwork & Report Preparation Assessment and testing of; <ul style="list-style-type: none"> <li>▪ The control environment</li> <li>▪ Information system</li> <li>▪ Compliance procedures</li> <li>▪ Compliance attitude</li> </ul>	Nicole Davies	40	AUS 502: Audit Evidence AUS 806: Performance Auditing

## **2.3 Performance Audit Methodology**

A risk assessment, assessment of control environment and allocation of audit priority was undertaken in accordance with the Audit Guidelines – Electricity, Gas and Water Licences (August 2010) on each element relating to Retail licensee's of the Electricity Compliance Reporting Manual (May 2011) issued by the Authority. It was the opinion of the audit team that this approach would provide an effective assessment of compliance due to each licence condition being incorporated into document.

The Electricity Compliance Reporting Manual (May 2011) as published on the ERA website specifically classifies each licence condition according to a non-compliance rating. As a holder of a Retail Licence, ERM Power results in mainly Minor and Moderate Ratings for non-compliance. The Type 1 obligations are not applicable to ERM Power as they do not have any small use customers.

In accordance with the Audit Guidelines (August 2010, section 9.4.3), ERM Power compliance criteria have been assessed for audit priority by the Auditors and agreed by the Authority. These criteria, including Type 1 obligations are exempt from this Audit Scope. The items that remain within the audit scope are detailed in Appendix 1.

In order to focus the audit effort and identify areas for testing and analysis a preliminary assessment of the risk and materiality of non-compliance with the Retail Licence was undertaken in accordance with the requirements of AS/NZS 31000 Risk Management Section 5.3 and Appendix 1 of the Audit Guidelines. This assessment rating was reviewed during the audit process subject to the verification of control environment. And changes made to the pre-assessment ratings during the audit process are explained in the post audit action table (Table 5).

## **2.4 Key Documents & Systems Reviewed**

- ERM Power Retail Pty Ltd Retail Licence, ERL15
- ERM Power Compliance Report to the Authority for the period 1 July 2011 to 30 June 2012
- ERM Power Compliance Report to the Authority for the period 1 July 2010 to 30 June 2011
- ERA letter D94456 to ERM: Compliance Report – 1 July 2011 to 30 June 2012
- ERA letter D74165 to ERM: Compliance Report – 1 July 2010 to 30 June 2011
- ETAC between WPN and ERM Power, approved 3<sup>rd</sup> August 2010
- ERM Power Proforma Retail Electricity Agreement, 7 June 2012
- Western Power Customer Relationship Plan for ERM Power, June 2011
- Retail Policy Manual Version: v 4.0, Date: 20 June 2012
- ERA Invoices
- Western Power Metering Code Model Service Level Agreement (approved by the ERA on the 30 March 2006)
- WA Customer Retail Electricity Agreements
- SAGE EMS
- ERM Power Customer Portal
- Western Power Portal
- CRM System
- CRM User Document Sales (V1.1, March 2010)
- Timetable of Electricity Regulatory Reporting Requirements
- ERM Special Purpose Financial Reports (for the financial year ended 30 June 2011)
- WA Customer List
- UMI Key Retailer Benchmarks (February 2012)
- Verifiable Consent WA Customers

## 2.5 Performance Audit Summary of Recommendations & Post Implementation Plan

As stipulated in section 11.9 of the Audit Guidelines (August 2010), the Audit Team notes that the Performance Audit Post Implementation Plan does not form part of the Audit Opinion. It is the responsibility of the licensee to ensure actions are undertaken.

**Table 5 : 2012 Performance Audit Post Audit Implementation Plan**

Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
16	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer	Whilst the organisation is aware of the requirement and there were no non compliances identified. It is noted that there is no formal process established for the management of data.	OFI 1 - The organisation could consider formalising the process of obtaining data and CTR i.e. procedural/guideline development or imbedding requirement into Customer Portal/CRM process.	ERM will review our current processes in relation to this matter and amend where required.  Responsibility; Steve Rogers  Date: March 31, 2013
18	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined	Whilst verifiable consents were obtained and copies maintained appropriately, the process could be more formalised.  As the CRM is the main tool by which the organisation manages customer interactions at a quotation and operational level it would be beneficial to include the verifiable consent in this process to assist ensuring compliance with this requirement.	OFI 2 - Consideration could be given to including the process of storing verifiable consents in the CRM. The CRM User Document Sales notes CRM has the ability to store documents against the customers. Additionally, the following enhancements to the CRM could be considered;  a) the ability to flag correspondence for priority or regulatory requirement in the CRM  b) include a field such as the sensitive load for record of the verifiable consent requirement and expiration date.	ACTION: ERM will amend our process to ensure all verifiable consents are stored in our CRM system  RESPONSIBILITY: Shona Guilfoyle  DATE: Completed
19	A retailer must keep a copy of the verifiable consent received from a contestable	Refer to OFI 2	Refer to OFI 2	ACTION: Refer OFI 2



Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	customer for two years			RESPONSIBILITY:  DATE:
44	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer	Refer to OFI 2	Refer to OFI 2	ACTION: Refer OFI 2  RESPONSIBILITY:  DATE:
48	A network operator and a retailer must comply with approved communication rules.	Compliance with this requirement was noted during the audit, however, enhancement could be achieved by using the SAGE EMS system to track communications with the ERA	OFI 3 – The organisation could consider using the established SAGE system to track communications with the ERA .	ERM will review our current processes in relation to this matter and amend where required.  Responsibility; Steve Rogers  Date: March 31, 2013
53	A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.	Although compliance with this requirement is noted during the audit period consideration could be given to formalising the compliance process particularly as the organisation is planning a premise change in the near future.	OFI 4 – Include this requirement in the Timetable of Electricity Regulatory Reporting Requirements to ensure ongoing compliance.	ACTION: ERM will add this requirement to our Timetable as per the audit recommendation  RESPONSIBILITY: Steve Rogers  DATE: Completed
101	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	Whilst compliance with this requirement is well evidenced through interviews with relevant personnel, the allocation of responsibility and process for ensuring requirements for licence conditions/legislation are identified was not defined.	OFI 5 -Potential to use existing systems (i.e excel spreadsheet "Timetable of Electricity Regulatory Reporting Requirements) as a tool for monitoring license and regulatory requirements.	ACTION: ERM will add this requirement to our Timetable as per the audit recommendation  RESPONSIBILITY: Steve Rogers  DATE: Completed
105	A licensee must pay to the Authority the prescribed	As above	As above	ACTION: : ERM will add this requirement to our

Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence i.e. 15 November each year			<p>Timetable as per the audit recommendation</p> <p>RESPONSIBILITY: Steve Rogers</p> <p>DATE: Completed</p>

### 3. FOLLOW UP AUDIT PROCESS

This is the first Performance Audit conducted since the issue of the licence.

A review of actions taken in response to recommendations will form part of subsequent audit plans.

## **APPENDIX 1**

### **ERM POWER PERFORMANCE AUDIT NOVEMBER 2012**

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
<b>SECTION 8: TYPE 1 REPORTING REQUIREMENTS – Electricity Industry Act 2004 s82</b>						
<b>TYPE 1 REPORTING OBLIGATIONS FOR ALL LICENCE TYPES</b> [Ref 235,236,251 & 252]				NA	ERM POWER does not have any small use customers	Not Applicable [NA]
<b>SECTION 9: ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 3 - CUSTOMER/ CONNECTION INFORMATION/DATA</b>						
6 [Type 2]	<i>Electricity Industry (Licence Conditions) Regulations r 5(2)</i>	<i>Electricity Industry Customer Transfer Code clause 3.2(2)</i>	A retailer must submit a separate data request for each exit point unless otherwise agreed	5	Compliance is inherent in the Web Portal system design. The system only allows separate data requests.  ▪ Web Portal system	Compliant  [5]
7 [Type 2]	<i>Electricity Industry (Licence Conditions) Regulations r 5(2)</i>	<i>Electricity Industry Customer Transfer Code clause 3.4(1)</i>	Unless otherwise agreed with a <i>network operator</i> , a <i>retailer</i> — (a) must submit a <i>data request</i> to the <i>network operator electronically</i> ; and (b) must not submit to a <i>network operator</i> in a	5	System control as web portal only allows 20 requests for standing data and 20 requests for historical consumption data. An exception message will come back if greater than 20 requests are made. The Web Portal acts as the	Compliant  [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
			<i>business day— (i) more than 20 requests for standing data; and (ii) more than 20 requests for historical consumption data.</i>		only access for data  ▪ Web Portal system  ▪ Discussion with General Manager Retail Operations	
8 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 3.5(3) -</b>	A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.	4	There were no instances during the audit period whereby the customer's verifiable consent ceased to apply before the network operator provided the historical consumption data. Therefore requirement not rated.  ▪ Western Power Portal  ▪ CRM  ▪ Discussion with WA Account Manager  ▪ Discussion with General Manager Retail Operations  ▪ Sales Process Procedure & Checklist  ▪ All WA Customer Verifiable Consent reviewed during the audit period	Not Rated [NR]
9 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 3.6(2)</b>	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a withdrawn request for historical consumption data.	4	There have been no occurrences of costs incurred during the audit period. As such assessment of compliance with this requirement cannot be made	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<ul style="list-style-type: none"> <li>Management of payment is by Web Portal system.</li> <li>Western Power Portal</li> <li>Discussion with General Manager Retail Operations</li> </ul>	
16 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 3.9(1)</b>	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer	4	<p>Quotations reviewed during the audit period included data only from the relevant Contestable Customer. All CTR were initiated with relevant customer data. It is noted that the CRM has the functionality to save stand alone files to specific customer records e.g. PDF files, Word documents etc.</p> <ul style="list-style-type: none"> <li>WA Account Manager</li> <li>Sales procedures and supporting documentation and systems</li> <li>WA Customer Contracts</li> <li>SAGE EMS</li> <li>CRM</li> <li>Quotations and Customer Data Requests</li> </ul> <p>→ OPPORTUNITY FOR IMPROVEMENT 1: The organisation could consider formalising the</p>	Compliant [4]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					process of obtaining data and CTR i.e. procedural/guideline development or imbedding requirement into Customer Portal/CRM process.	
17 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 3.9(2)</b>	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	4	Discussions with General Manager Retail Operations confirmed that aggregation of contestable customer's historical consumption data is used for forecasting and that they have not had any requests by customers not to do so. This forecasting process is integral in the business operations not for business development.  ▪ Monthly Forecasts ▪ CRM ▪ REA ▪ Discussions with General Manager Retail Operations	Compliant [5]
18 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 3.9(3)</b>	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined	4	Compliance with this requirement is confirmed and documentation has been established within the organisation to ensure compliance with this clause.  ▪ Discussions with General Manager Retail Operations  ▪ WA Customer Verifiable Consent sighted	Compliant [4]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<ul style="list-style-type: none"> <li>▪ CRM</li> <li>▪ CRM User Sales Document</li> <li>▪ Broker contracts</li> </ul> <p>→ OPPORTUNITY FOR IMPROVEMENT 2: Consideration could be given to including the process of obtaining verifiable consents in the CRM User Document Sales as the CRM has the ability to store documents against the customers.</p>	
19 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 3.9(4)</b>	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	4	<p>Verifiable consent forms were sighted for all WA customers during the audit period. It is noted that the CRM has the functionality to save stand alone files to specific customer records e.g. PDF files, Word documents etc.</p> <p>It is noted that the organisation has not yet disposed or archived records.</p> <ul style="list-style-type: none"> <li>▪ Discussions with WA Account Manager</li> <li>▪ CRM</li> <li>▪ CRM User Document Sales(V1.0, March 2010)</li> <li>▪ Verifiable consent evidence sighted in form or Emails/Faxes/Documentation for all WA Customers during audit period</li> </ul>	Compliant [4]



REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<ul style="list-style-type: none"> <li>▪ SAGE EMS</li> </ul> → REFER TO OPPORTUNITY FOR IMPROVEMENT 2	
23 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.2(2)</b>	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.	5	Web portal only allows for singular submissions, compliance is inherent in system design. <ul style="list-style-type: none"> <li>▪ Web Portal i.e. system controls</li> <li>▪ Discussion with General Manager Retail Operations</li> </ul>	Compliant [5]
24 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.3</b>	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.	5	Sample of transfers sighted on Web Portal. No erroneous transfers were observed during the audit period under "Transfer Type".  System Control as description of transfer is mandatory field i.e. drop down list <ul style="list-style-type: none"> <li>▪ Web Portal i.e. system controls</li> <li>▪ Discussion with General Manager Retail Operations</li> <li>▪ Screen Shot Obtained</li> </ul>	Compliant [5]

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25 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.4(1)</b>	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	5	<p>All transfers are effected on Web Portal. No erroneous transfers were observed during the audit period under "Transfer Type".</p> <p>The ETAC date must be specified in the Web portal.</p> <p>The CTR details are part of the CTR section of the Web Portal. If the access contract date is not specified then WPN will not authorise and will contact the ERM Power to liaise for resolution.</p> <ul style="list-style-type: none"> <li>▪ Web Portal i.e. system controls</li> <li>▪ Discussion with General Manager Retail Operations</li> <li>▪ Screen Shot Obtained</li> </ul>	Compliant [5]
26 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.4(2)</b>	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	5	<p>All transfers effected on Web Portal. No erroneous transfers were observed during the audit period under "Transfer Type". If NMI is entered that is not correct then an error message will be generated.</p> <ul style="list-style-type: none"> <li>▪ Web Portal i.e. system controls</li> <li>▪ Customer Contracts/documentation</li> </ul>	Compliant [5]
27 [Type 2]	<b>Electricity Industry (Licence Conditions)</b>	<b>Electricity Industry Customer Transfer</b>	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must	5	<p>All transfers are effected on Web Portal.</p> <p>Generally, system control as the number of</p>	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
	<b>Regulations r 5(2)</b>	<b>Code clause 4.5(1)</b>	not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date		customer transfer requests is inherent in the system design. The web portal only allows 20 transfers per day.  ▪ Web Portal i.e. system controls ▪ Discussion with General Manager Retail Operations	
28 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.6(3)</b>	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	4	There were no instances where a customer transfer request was withdrawn due to expiry of verifiable consent. ERM business protocol ensures compliance, a transfer occurs once a signed contract is established part of this process is obtaining verifiable consent. Monitoring of expiration of verifiable consent is undertaken by the WA Account Manager and awareness to section 1.5 of the code is noted. All communication is maintained within in CRM.  ▪ Discussion with General Manager Retail Operations ▪ Discussion with WA Account Manager ▪ Sighted verifiable consent for all WA Customers ▪ CRM ▪ Legal counsel	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
29 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.7</b>	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.	5	Compliance is inherent in system design, date of transfer must be nominated to successfully submit transfer. Note: Transfers only occur Monday to Friday delay may occur if nominated over weekend.  It is noted that there were no erroneous transfers during the audit period.  ▪ Web Portal i.e. system controls - mandatory fields	Compliant [5]
30 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.8(2)</b>	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	4	There were no CTR's that were withdrawn during the audit period. This event did not occur during the audit period.  ▪ ETAC ▪ Discussions with General Manager Retail Operations	Not Rated [NR]
34 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.9(6)</b>	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	4	Web portal is used for communicating revised transfer dates. Liaison established with WP Account Manager. There were no objections relating to a CTR during the audit period. The portal is designed to ensure compliance with the parameters of the Customer Transfer Code and does not accept retailer submissions for CTR that are inconsistent with these rules.	Compliant [5]

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					<ul style="list-style-type: none"> <li>▪ WP Account Manager communications</li> <li>▪ Web Portal</li> <li>▪ Discussion with General Manager Retail Operations</li> <li>▪ Document Management System</li> </ul>	
39 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.11(3)</b>	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	4	<p>No issues arose during the audit period. Meters are all interval meters and if an issue arises they can be interrogated. It is noted that the meters have data received on a half hourly interval.</p> <p>This event can only arise if a basic meter is installed, however, that has to be changed to half hourly meter when there is a change of retailer.</p> <p>There is regular dialogue between ERM Power and WP Account Manager to ensure resolution if contestable customer's meter is not read on the nominated transfer date. All communications reviewed during the audit complied with Customer Transfer Code requirements particularly the network operator and the incoming retailer working together to set a new nominated transfer date.</p> <ul style="list-style-type: none"> <li>▪ WP Account Manager communications</li> <li>▪ Dispute resolution processes</li> </ul>	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<ul style="list-style-type: none"> <li>▪ WPN responsible for meter reading</li> <li>▪ Web Portal</li> </ul>	
40 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.12(3)</b>	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	5	<p>The organisation has negotiated an ETAC dated 3<sup>rd</sup> August 2010.</p> <ul style="list-style-type: none"> <li>▪ Discussion with General Manager Retail Operations</li> <li>▪ WP Account Manager communications</li> <li>▪ ETAC</li> <li>▪ Legal Counsel</li> <li>▪ Dispute resolution processes</li> </ul>	Compliant [5]
43 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.15</b>	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and the independent market operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.	5	<p>There have been no erroneous transfers during the audit period. As such assessment of compliance with this requirement cannot be made</p> <ul style="list-style-type: none"> <li>▪ WP Account Manager communications</li> <li>▪ Web Portal</li> </ul>	Not Rated [NR]
44 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.16</b>	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous	4	Verifiable consent was sighted for all customers sampled during the audit. There has been no disposal of any verifiable consent documentation during the audit period. It is noted that there were no erroneous transfers during the audit	Compliant [4]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
			transfer.		period. <ul style="list-style-type: none"> <li>▪ WA Customer Contracts</li> <li>▪ WA Customer List</li> <li>▪ Web Portal</li> <li>▪ CRM</li> <li>▪ SAGE EMS</li> <li>▪ Discussion with WA Account Manager</li> </ul> → REFER TO OPPORTUNITY FOR IMPROVEMENT 2	
45 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 4.17</b>	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	4	There were no erroneous transfers during the audit period.  Confirmed through discussion with the General Manager Retail Operations that no other previous retailer billed a contestable customer for charges incurred after the transfer time.  In addition, Web Portal System Control. WP will not send data to ERM after the transfer date. <ul style="list-style-type: none"> <li>▪ WA Customer Contracts</li> <li>▪ Web Portal used to access Consumption Metering Data</li> <li>▪ Discussion with General Manager Retail</li> </ul>	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					Operations ▪ Customer Portal	
48 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 5.1(4)</b>	A network operator and a retailer must comply with approved communication rules.	4	<p>The ETAC defines communication protocols. All transfers and data transactions are done electronically via Western Power's portal. Communication with WP account manager is via email and standard formats. There have been no actions outside the communication rules.</p> <p>The majority of the control is through the Web Portal.</p> <ul style="list-style-type: none"> <li>▪ Communication protocols established between WP and ERM Power</li> <li>▪ Web Portal</li> <li>▪ WP Account Manager</li> <li>▪ WP Billing and Metering Team</li> <li>▪ ETAC</li> </ul> <p>→ Opportunity for Improvement 3: The organisation could consider using the established SAGE system to track communications with the ERA .</p>	Compliant [4]
49	<b>Electricity Industry (Licence Conditions)</b>	<b>Electricity Industry Customer Transfer</b>	A licensee's notice in relation to a data request or customer transfer request must identify the exit	5	Compliance is inherent in system design, specification of the NMI is a mandatory field.	Compliant



REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
[Type 2]	<b>Regulations r 5(2)</b>	<b>Code clause 6.2</b>	point to which it relates		<ul style="list-style-type: none"> <li>▪ Web Portal system control i.e. mandatory fields</li> <li>▪ Communications with WP Account Manager</li> <li>▪ Specification of NMI</li> </ul>	[5]
52 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 6.4(1)</b>	A retailer must notify its contact details to a network operator within three business days of a request	4	<p>Evidence of communication processes throughout the audit period. There has been no specific request for contact details, however all details were reviewed and noted to be correct in WP Portal and communication systems.</p> <ul style="list-style-type: none"> <li>▪ Management Control Processes</li> <li>▪ Communication records</li> <li>▪ Web Portal</li> <li>▪ Discussion with WP Account Manager</li> </ul>	Not Rated [NR]
53 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 6.4(2)</b>	A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.	4	<p>There has been no change in the Retailers contact details during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <p>It is noted that the Licensee intends to move premise during 2013, however, this is outside the scope of the audit period.</p>	Not Rated [NR]

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					<ul style="list-style-type: none"> <li>Web Portal</li> <li>Discussions with General Manager Retail Operations</li> </ul> <p>→ Opportunity for Improvement 4: Although this requirement has not been rated during this audit its intent could be encompassed in the Timetable of Electricity Regulatory Reporting Requirements to ensure ongoing compliance.</p>	
54 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 6.6</b>	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.	4	<p>The Web Portal design parameters ensure compliance with this requirement. Email and fax evidence also sighted to verify compliance with this requirement. Additionally the ETAC defines the requirements and is endorsed by both ERM Power and WPN.</p> <p>Sample of Customer files reviewed demonstrated compliance.</p> <ul style="list-style-type: none"> <li>Web Portal</li> <li>Management Control Processes</li> <li>ETAC</li> </ul>	Compliant [5]
55 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 7.1(1)</b>	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another	4	There have been no disputes in respect to a matter under or in connection with this requirement during the audit period. As such assessment of compliance with respect to	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
			disputing party and attempt to resolve the dispute by negotiations in good faith.		meeting within 5 business days cannot be made.  However, it is noted that the ETAC requires the dispute to be resolved within 10 business days.  Discussions with the Secretariat of the ERA during the audit confirmed the legislative requirement of the Code would take precedence over the ETAC should an issue arise.  Management awareness  ▪ ETAC Section 29  ▪ Discussions with General Manager Retail Operations  ▪ Discussions with WP Account Manager  ▪ Discussions with the Secretariat of the ERA	
56 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 7.1(2)</b>	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith	4	There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made.  However, it is noted that the ETAC requires the dispute to be resolved within 20 business days.  Discussions with the Secretariat of the ERA during the audit confirmed the legislative requirement of the Code would take precedence over the ETAC should an issue arise.	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<ul style="list-style-type: none"> <li>▪ ETAC Section 29</li> <li>▪ Discussions with General Manager Retail Operations</li> <li>▪ Discussions with WP Account Manager</li> <li>▪ Discussions with the Secretariat of the ERA</li> </ul>	
57 [TYPE 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 7.1(3)</b>	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	4	<p>There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made.</p> <ul style="list-style-type: none"> <li>▪ Discussion with General Manager Retail Operations</li> <li>▪ Discussions with WP Account Manager</li> <li>▪ ETAC</li> <li>▪ REA</li> </ul>	Not Rated [NR]
58 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 7.2(4)</b>	A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details	5	<p>There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made.</p> <ul style="list-style-type: none"> <li>▪ Management awareness</li> </ul>	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<ul style="list-style-type: none"> <li>Discussions with WP Account Manager</li> <li>ETAC</li> <li>REA</li> </ul>	
59 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code clause 7.3(2)</b>	A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code	5	<p>There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made.</p> <ul style="list-style-type: none"> <li>Management awareness</li> <li>Discussions with WP Account Manager</li> <li>ETAC</li> <li>REA</li> </ul>	Not Rated [NR]
68 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)</b>	A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.	5	<p>Western Power manage the Web Portal and it is generally operational 24 hours a day. There have been some system down times throughout the audit period, however, issues arising are always readily resolved.</p> <p>Even though there was no impact to ERMs business, as a proactive measure following the floods in Brisbane the organisation has invested significantly in their IT systems to further strengthen and prevent loss of data or</p>	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					operational systems. Web Portal  ▪ ERM Power Information Systems  ▪ Discussions with IT  ▪ Disaster Recovery Manual	
69 [Type 2]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)</b>	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.	5	Correspondence between WP and ERM Power is maintained in the Web Portal. Historical messages can be seen through the “view messages” function. Correspondence is tagged as either pending, completed or rejected, i.e. market transaction list. Screen shots of the process were obtained and reviewed to confirm this function during the audit.  In addition, the web portal enables the issue of email alerts to confirm transactions.  ▪ Web Portal  ▪ SAGE  ▪ Discussions with WP Account Manager	Compliant [5]
70 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code Annex 6 clause A6.6</b>	The originator of an electronic communication must identify itself in the communication.	5	The Web Portal provides required identification for all data transactions and transfers. Data receipts were sighted for confirmation.  ▪ Web Portal	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<ul style="list-style-type: none"> <li>▪ SAGE</li> <li>▪ Discussions with General Manager Retail Operations</li> </ul>	
71 [Type NR]	<b>Electricity Industry (Licence Conditions) Regulations r 5(2)</b>	<b>Electricity Industry Customer Transfer Code Annex 6 clause A6.7</b>	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.	5	<p>The Web Portal is used as a primary means of communication between WP and ERM. The system is designed so that data communicated is easily integrated into the ERM and WP systems. Examples of data transactions from the Web Portal were sighted during the audit.</p> <ul style="list-style-type: none"> <li>▪ Web Portal data transfer protocols</li> <li>▪ Communications between WP and ERM</li> <li>▪ Discussions with General Manager Retail Operations</li> </ul>	Compliant [5]
<b>Section 11: ELECTRICITY INDUSTRY (CUSTOMER CONTRACTS) REGULATIONS AND OBLIGATIONS</b>						
<b>Electricity Industry (Licence Conditions) Regulations regulation 6, 7 &amp; 8(8) –[Ref 78,79, 80]</b>				Not Applicable Relevant To Synergy Only.		Not Applicable [NA]
<b>Electricity Industry (Licence Conditions) Regulations – [Ref 81-98]</b>				Not Applicable as ERM Power do not have any small use customers		Not Applicable [NA]

REF*	LICENCE  CONDITION	RELATED  LEGISLATION	LEGISLATIVE/LICENCE  REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
Electricity Industry (Licence Conditions) Regulations – [Ref 100]				Not Applicable as ERM Power do not have any small use customers	Not Applicable [NA]	
SECTION 12: ELECTRICITY INDUSTRY ACT - LICENCE CONDITIONS AND OBLIGATIONS						
101 [Type NR]	Retail Licence condition 14.1	Electricity Industry Act section 13(1)	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	4	The requirement for the audit is monitored by the General Manager Retail Operations. This audit process has commenced within the required timeframes.  ▪ Monthly Report (September 2012)  ▪ Board Report (October 2012)  ▪ Notification from Authority as to audit due date  →Opportunity for Improvement 5: Consideration could be given to establishing a more proactive system for scheduling key tasks, such as the Performance Audit. Currently the system established is reactive on a reminder and could potentially be omitted if change in personnel, etc. There is not formalised system for reminding the organisation of the requirement. It is noted there is the potential to use existing systems (i.e excel spreadsheet “Timetable of Electricity Regulatory Reporting Requirements) as a tool for monitoring license and regulatory requirements.	Compliant [4]



REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
105 [Type 2]	<b>Retail Licence condition 4.1</b>	<b>Electricity Industry Act section 17 (1)</b>	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence i.e. 15 November each year	4	<p>Licence fees were paid in accordance with requirements as follows;</p> <ul style="list-style-type: none"> <li>- ERA Invoice ERA323 (Issued on 21 Sep 2012, Approved 4/10/12) and Paid 29/10/12 – Ref 200037119)</li> <li>- ERA Invoice ERA260 (Issued 13 October 2011, Approved 17/10/11 and Paid 18/10/11 – Ref 200001672)</li> </ul> <p>-The initial ERA Invoice was paid prior to commencement of the licence on the 6/7/10– Doc # 900000473 (a record of the payment was sighted in SAP however the hard copy was not available for review during the audit).</p> <ul style="list-style-type: none"> <li>▪ Compliance Scheduling by appropriate Manager</li> <li>▪ Invoice issued by the Authority</li> <li>▪ Record of Payment in SAP</li> </ul> <p>→Refer to Opportunity for Improvement 5 .</p>	Compliant [4]
106 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Act section 31 (3)</b>	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	5	<p>The supply of electricity is managed by WPN and is essentially outside the control ERM. The ETAC stipulates Provision and Use of Services.</p> <ul style="list-style-type: none"> <li>▪ Electricity Supply Managed by WPN</li> <li>▪ Customers have access to Account Manager</li> </ul>	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					WA ▪ ETAC	
107 [Type 2]	Retail Licence condition 5.1	Electricity Industry Act section 41 (6)	A licensee must pay the costs of taking an interest in land or an easement over land.	NA	Not Applicable as ERM has no interest in land.	Not Applicable [NA]
108 [Type 2]	Retail Licence condition 24.1	Electricity Industry Act section 54(1)	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract	NA	Not Applicable as ERM does not supply electricity to Small Use Customers.	Not Applicable [NA]
109 [Type 2]	Retail Licence condition 25.4	Electricity Industry Act section 54(2)	A licensee must comply with any direction by the Authority to amend the standard form contract and do so within the period specified.	NA	Not Applicable as ERM does not supply electricity to Small Use Customers.	Not Applicable [NA]
110 [Type 2]	Retail Licence condition 27.1	Electricity Industry Act section 76	If a designation under section 71(1) of the Electricity Industry Act is in force a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.	NA	Not Applicable as Synergy is the Retailer of Last Resort	Not Applicable [NA]
111 [Type 2]	Retail Licence condition 21.1	Electricity Industry Act section 101	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme	NA	Not Applicable as ERM does not supply electricity to Small Use Customers.	Not Applicable [NA]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
113 [Type 2]	Retail Licence condition 5.1	Electricity Industry Act section 115(2)	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access	4	ERM has an ETAC and establishes Retail Electricity Agreements (REAs) with WA Customers. Requirements within these agreements provide adequate controls preventing the potential to engage in conduct for the purpose of hindering or prohibiting access  Management ensures compliance with all Retail Licence conditions.  ▪ ETAC ▪ REA ▪ Discussions with General Manager Retail Operations	Compliant [5]
SECTION 13: ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS						
114 [Type 2]	Retail Licence condition 23.1	Electricity Industry Act section 11	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	NA	ERM does not use electricity marketing agents. As such assessment of compliance with this requirement cannot be made.  This requirement relates to Small Use Customers and as ERM do not have any small use customers it is not applicable.  ▪ ERM directly handles all marketing through the WA Account Manager ▪ Legislative awareness ▪ Discussions with General Manager Retail	Not Applicable [NA]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					Operations	
115 [Type 2]	Retail Licence condition 23.2	Electricity Industry Act section 11	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.	NA	ERM does not use electricity marketing agents. As such assessment of compliance with this requirement cannot be made.  ▪ ERM directly handles all marketing through the WA Account Manager ▪ Legislative awareness ▪ Discussions with General Manager Retail Operations	Not Applicable [NA]
116 [Type NR]	Retail Licence condition 24.2	Electricity Industry Act section 11	A licensee must, if directed by the Authority, review the standard form contract and submit to the Authority the results of that review within the time specified by the Authority.	NA	ERM is not required to have a standard form contract as it does not supply electricity to small use customers.	Not Applicable [NA]
117 [Type NR]	Retail Licence condition 24.3	Electricity Industry Act section 11	A licensee must comply with any direction given by the Authority in relation to the scope, process and methodology of the standard form contract review.	NA	ERM is not required to have a standard form contract as it does not supply electricity to small use customers. Hence, there was no requirement for the Authority to provide direction in this matter.	Not Applicable [NA]
118 [Type 2]	Retail Licence condition 25.1	Electricity Industry Act section 11	A licensee may only amend the standard form contract with the Authority's approval.	NA	ERM is not required to have a standard form contract as it does not supply electricity to small use customers.	Not Applicable [NA]
119 [Type 2]	Retail Licence condition 12.1	Electricity Industry Act section 11	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or	4	The ERM Annual Reports sampled during the audit period contain an Annual Financial Statement prepared by the organisations	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
			equivalent International Accounting Standards.		<p>Auditors. The Statement of Compliance which noted that the financial report was prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the <i>Corporations Regulations 2001</i> and other mandatory professional reporting requirements.</p> <ul style="list-style-type: none"> <li>▪ Discussion with General Manager Retail Operations</li> <li>▪ Accounting process review</li> <li>▪ ERM Annual Reports (Independent Auditors PWC) – for the year ended 30<sup>th</sup> June 2011</li> <li>▪ ERM Annual Reports (Independent Auditors PWC) – for the year ended 30<sup>th</sup> June 2012</li> </ul>	
120 [Type 2]	<b>Retail Licence condition 13.4</b>	<b>Electricity Industry Act section 11</b>	A licensee must comply with any individual performance standards prescribed by the Authority.	NA	<p>The Authority has not prescribed any individual reporting standards to ERM Power. As such assessment of compliance with clause cannot be undertaken.</p> <ul style="list-style-type: none"> <li>▪ Interview with the General Manager Retail Operations</li> </ul>	Not Applicable [NA]
121 [Type 2]	<b>Retail Licence condition 14.2</b>	<b>Electricity Industry Act section 11</b>	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	4	<p>Direct instructions from Licensee to Auditor to comply with the ERA guidelines.</p> <p>Copies of communications received from ERA relating to audit requirements sent by ERM through to Auditor to convey requirements</p>	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					specifically the undertaking of audits in compliance with the Audit Guidelines: Electricity, Gas and Water Licences.  ▪ Compliance with ERA process ▪ Management meeting minutes ▪ Email Communication ▪ ERA Correspondence	
123 [Type 2]	<b>Retail Licence condition 15.1</b>	<b>Electricity Industry Act section 11</b>	A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	4	During the Audit Period ERM Power was not under external administration and had not undergone any significant change in circumstances upon which the licence was granted, which may affect its ability to meet its licence obligations. As such there was no assessment with this requirement to report to the Authority was made.  ▪ Discussions with General Manager Retail Operations ▪ Review of ERA Website	Not Rated [NR]
124 [Type 2]	<b>Retail Licence condition 16.1</b>	<b>Electricity Industry Act section 11</b>	A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.  .	4	The Licensee has provided the Authority information it required in connection with its functions under the Electricity Industry Act.  Every licensee is required to submit a compliance report to the Authority covering all of its type 1 and type 2 licence obligations for each financial year (1 July to 30 June inclusive) by 31 August	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<p>immediately following the year that is the subject of the report.</p> <p>It is noted that this requirement is already captured in the excel database "Timetable of Electricity Regulatory Reporting Requirements"</p> <ul style="list-style-type: none"> <li>▪ Discussions with General Manager Retail Operations</li> <li>▪ Annual Compliance Reports – Sighted Compliance Report 1 July 2011 to 30 June 2012 and ERA response Ref D94456)</li> <li>▪ Annual Compliance Reports – Sighted Compliance Report 1 July 201 to 30 June 2011 and ERA response Ref D74165)</li> <li>▪ Reporting protocols uses standard format from ERA</li> <li>▪ ERA Correspondence Records</li> <li>▪ Timetable of Electricity Regulatory Reporting Requirements</li> </ul>	
125 [Type 2]	<b>Retail Licence condition 17.1 &amp; 17.2</b>	<b>Electricity Industry Act section 11</b>	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified	4	The Authority has not directed any information to be published during the audit period.	Compliant [5]
126 [Type 2]	<b>Retail Licence condition 18.1</b>	<b>Electricity Industry Act section 11</b>	Unless otherwise specified, all notices must be in writing.	4	The requirement that notices be in writing is specified in the ETAC between WP and ERM Power. A copy of the ETAC clause 35 was	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<p>reviewed during the audit.</p> <p>ERM confirmed that all communication is in writing through Western Power online portal and all other communication is via emails. Email communications are filed as appropriate within SAGE.</p>	
<b>SECTION 14: CODE OF CONDUCT - LICENCE CONDITIONS AND OBLIGATIONS</b>						
<p>This section is not applicable to ERM Power due to the following:</p> <p>ERM Management confirm no customer is a "Customer" as defined in the Code of Conduct for the Supply of Electricity to Small Use Customers 2008 and ERM has never marketed or supplied to such Customers in the WEM.</p> <p>Refer to Electricity Compliance Reporting Manual May 2011 for Reference numbers.</p>						<p>Not Applicable</p> <p>[NA]</p>
<b>SECTION 15: ELECTRICITY INDUSTRY METERING CODE - LICENCE CONDITIONS AND OBLIGATIONS</b>						
349 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 3.11(3)</b>	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	4	WPN has primary responsibility for the management and monitoring of meters. ERM has established CRM processes to facilitate the identification, tracking and action of any meter issue identified. Customer queries were reviewed during the audit process and the trail maintained with CRM clearly demonstrated compliance with this requirement. It is noted that the outcome did not identify an issue with the customers meter.	Compliant [5]



REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<ul style="list-style-type: none"> <li>▪ Discussion with WA Account Manager</li> <li>▪ CRM</li> <li>▪ Customer Portal</li> <li>▪ WP Faults Hotline</li> <li>▪ Web Portal (i.e. reporting of faults)</li> <li>▪ Customer Invoices</li> </ul>	
361 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 3.16(5)</b>	A network operator or a user may require the other to negotiate and enter into a written service level agreement in respect of the matters in the metrology procedure dealt with under clause 3.16(4) of the Code.	4	<p>Tariff Metering requirements are covered in Metering Code Model Service Level Agreement. The Network Operator manages metering requirements for ERM Power.</p> <p>This requirement relates to the conversion of non interval metering to interval metering. There is no need for conversion as the potential customers would be billed on aggregated data in accordance with the contract. As such assessment of compliance with clause cannot be undertaken.</p> <ul style="list-style-type: none"> <li>▪ Discussion with General Manager Retail Operations</li> <li>▪ WP's Metering Code Model Service Level Agreement sighted.</li> </ul>	Not Applicable [NA]
363	<b>Retail Licence</b>	<b>Electricity Industry</b>	If the Electricity Retail Corporation supplies	NA	Relates to Synergy as the Electricity Retail	Not Applicable

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
[Type 2]	<b>condition 5.1</b>	<b>Metering Code clause 3.18(1)</b>	electricity to a contestable customer at a connection point under a non-regulated contract, and in circumstances where immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract, then the metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements.		Corporation only.	[NA]
372 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 3.27</b>	A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.	4	ERM are aware of this requirement and do not engage in the installation of Meters. It is noted that this requirement is responsibility of the Network Operator.  ▪ Discussion with General Manager Retail Operations  ▪ WPN is responsible for metering installations  ▪ ETAC  ▪ WP's Metering Code Model Service Level Agreement	Not Rated [NR]
379 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 4.4(1)</b>	A network operator and affected Code participants must liaise together to determine the most appropriate way to resolve a discrepancy between energy data held in a metering installation and data held in the metering database.	5	There have been no discrepancies relating to energy data held within a metering installation during the audit period. Customer queries were received during the audit period and meters checked however there were no discrepancies identified. The trail maintained within CRM	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					demonstrated compliance with this requirement.  ▪ Discussion with General Manager Retail Operations  ▪ Discussion with WA Account Manager  ▪ WPN is responsible for metering installations  ▪ ETAC  ▪ CRM	
380 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 4.5(1)</b>	A Code participant must not knowingly permit the registry to be materially inaccurate.	5	This is primarily the responsibility of WPN. However, ERM may identify errors through internal review systems and follow established communication pathways with WPN as soon as practicable.  ▪ Discussion with WA Account Manager  ▪ WP Accounts Manager  ▪ Web Portal  ▪ Customer Portal	Compliant [5]
381 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 4.5(2)</b>	If a Code participant (other than a network operator) becomes aware of a change to or an inaccuracy in an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy	4	Regular discussions are held with WP Account Manager. Any discrepancies are followed up in a timely manner.  Review of Web Portal confirmed the function to submit queries to WP and monitor their progress	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
			within the timeframes prescribed.		(timelines of actioning). In addition the WA Account Manager uses CRM as a tool to interface between the customer, ERM and WPN.  ▪ Web Portal ▪ CRM ▪ Discussion with WA Account Manager ▪ WP Accounts Manager ▪ Discussion with General Manager Retail Operations	
393 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 5.4(2)</b>	A user must, when reasonably requested by a network operator, use reasonable endeavours to assist the network operator to comply with the network operator's obligation under clause 5.4(1).	5	WPN is responsible for the reading of the meters and they are primarily read remotely. ERM work with WP in identifying data discrepancies and meter faults.  ▪ Requests from Network Operator ▪ Remote Reading of Meters ▪ SAGE	Compliant [5]
395 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 5.5(3)</b>	A user must not impose any charge for the provision of the data under this Code unless it is permitted to do so under another enactment.	4	Western Power read all meters. No charges are imposed for provision of data.  Discussion with the General Manager Retail Operations confirmed that there are no charges for the provision of data. A review of the billing process and customer portal was undertaken	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					during the audit.  ▪ User Data  ▪ Customer Bills/ Customer Portal  ▪ Discussion with Account Manager	
406 [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.16	A user that collects or receives energy data from a metering installation must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	4	Not Applicable to audit scope as Western Power read all meters. ERM does not collect energy data.	Not Applicable [NA]
407 [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.17(1)	A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	4	The Network Operator is responsible for tariff metering. However standing data and validated data are presented on the customer bills. ERM has established a detailed Customer Portal which allows its customers to review their consumption history in a number of formats including graphically. The customers have to request for access to customer portal but are aware of the services. A sample of WA customers reviewed during the audit were registered for the Customer Portal.	Compliant [5]
408 [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.18	A user that collects or receives information regarding a change in the energisation status of a metering point must provide the network operator with the prescribed information, including the	4	ERM Power does not collect or receive information regarding a change in the energisation status of a metering point. Western Power manages the status of metering points.	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
			stated attributes, within the timeframes prescribed.		<ul style="list-style-type: none"> <li>▪ Web Portal</li> <li>▪ User requests</li> <li>▪ Discussion with General Manager Retail Operations</li> </ul>	
409 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 5.19(1)</b>	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere.	5	<p>ERM has established an effective means for communication in addition to the Web Portal. SAGE system allows the recording of information and emails to be stored efficiently for ease of identification and retrieval. There were no outstanding requests were noted via the Web Portal communications .</p> <ul style="list-style-type: none"> <li>▪ Discussion with General Manager Retail Operations</li> <li>▪ Web Portal</li> <li>▪ SAGE</li> </ul>	Compliant [5]
410 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 5.19(2)</b>	A user must, to the extent that it is able, collect and maintain a record of the address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.	5	<p>A review of Web Portal noted that all site and customer attributes are captured via predetermined fields and drop down menus.</p> <ul style="list-style-type: none"> <li>▪ Discussion with General Manager Retail Operations</li> <li>▪ Web Portal</li> </ul>	Compliant [5]
411	<b>Retail Licence</b>	<b>Electricity Industry</b>	A user must, after becoming aware of any change in	4	Upon receiving such information from the	Compliant

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
[Type 2]	<b>condition 5.1</b>	<b>Metering Code clause 5.19(3)</b>	a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.		customer the information is logged into Web Portal into the Customer & Site details information section. Material changes required to be reviewed. In addition, the WA Account Manager manages data in CRM which flows through to other systems such as the SAGE EMS .Compliance with the 1 business day rule is inherent in the system design.  ▪ Discussion with WA Account Manager ▪ Management Compliance Processes ▪ Dedicated forecasting section ▪ Web Portal - Customer and Site Details ▪ CRM	[5]
412 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 5.19(4)</b>	A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the network operator's Network Operations Control Centre of the fact.	4	There are no WA customers with a sensitive load. All customers during the audit period were reviewed to confirm this. The CRM program was reviewed during the audit to confirm this. It is noted that the sensitive load information is stored at the site level and not the company which increases control mechanisms in this regard.  ▪ CRM ▪ Discussion with WA Account Manager	Compliant [5]

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414 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 5.19(6)</b>	A user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.	5	<p>The Web Portal facilitates the notification of the change in attributes. ERM confirmed that there were no changes in attributes as a result of the provision of standing data by WP during the audit period.</p> <p>The design of the CRM ensures compliance with this aspect. A review of the CRM confirmed NMI data maintained at site information level.</p> <ul style="list-style-type: none"> <li>▪ CRM</li> <li>▪ Discussion with the WA Account Manager.</li> </ul>	Compliant [5]
420 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 5.21(5)</b>	A Code participant must not request a test or audit unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	4	<p>Tests undertaken during the audit period were in accordance with the requirements of the <i>Metering Code</i>. Email communication and Access Contracts were sighted during the audit process. It is noted that a record of all communication and outcomes are maintained within CRM for users.</p> <ul style="list-style-type: none"> <li>▪ Interview with General Manager Retail Operations</li> <li>▪ Access Contracts</li> <li>▪ CRM</li> <li>▪ Legislative Awareness</li> <li>▪ Model Service Level Agreement</li> </ul>	Compliant [5]



REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE  RATING**
					<ul style="list-style-type: none"> <li>WP Account Manager</li> </ul>	
421 [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.21(6)	A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.	4	<p>Confirmed that during the audit period, ERM did not make any requests for audit or tests that were inconsistent with any access arrangement or agreement.</p> <ul style="list-style-type: none"> <li>Interview with General Manager Retail Operations</li> </ul>	Compliant [5]
439 [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.27	Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	4	<p>All compliance is performed via the Web Portal. Any requests received from WP would be actioned via Web Portal in a timely manner.</p> <p>Review of the Web Portal correspondence did not identify any requests for customer attribute information from WP.</p> <ul style="list-style-type: none"> <li>Discussion with the General Manager Retail Operations</li> <li>Management compliance process</li> <li>Web Portal (Customer &amp; Site Notification Entry)</li> </ul>	Compliant [5]
446 [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	4	<p>The Web Portal is used for interactions with WPN and compliance is largely inherent in the design of the system. A review of the controls during the audit process confirmed compliance</p>	Compliant [5]

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					with prescribed criteria.  ▪ Web Portal  ▪ Discussion with the General Manager Retail Operations  ▪ WP Account Manager relations	
448 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 7.2(1)</b>	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	5	WP has been notified of all communication details. Evidence of dialogue between the parties has been noted. The ETAC has contact details included discussion with WPN confirmed contact details established.  ▪ Discussion with the General Manager Retail Operations  ▪ Web Portal  ▪ Customer Files  ▪ WP Account Manager  ▪ Email records	Compliant [5]
450 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 7.2(4)</b>	A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.	4	WP has been notified of all communication details. No changes to details have occurred warranting a notification to WP within this audit period. It is noted the licensee intends to move	Compliant [5]

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					<p>premises during the next audit period and acknowledgment of this requirement was provided by the General Manager Retail Operations.</p> <ul style="list-style-type: none"> <li>▪ Discussion with the General Manager Retail Operations</li> <li>▪ Management compliance process</li> </ul>	
451 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 7.2(5)</b>	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect.	4	<p>As above</p> <ul style="list-style-type: none"> <li>▪ Discussion with the General Manager Retail Operations</li> </ul>	Compliant [5]
452 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 7.5</b>	A Code participant must not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	4	<p>Customer confidential information is treated in an appropriate manner. There have been no instances of non compliance identified in relation to this requirement.</p> <ul style="list-style-type: none"> <li>▪ Discussion with the General Manager Retail Operations</li> </ul>	Compliant [5]
453 [Type 2]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 7.6(1)</b>	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	4	<p>Refer to finding above.</p> <ul style="list-style-type: none"> <li>▪ Discussion with the General Manager Retail Operations</li> </ul>	Compliant [5]

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454 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 8.1(1)</b>	Representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute under or in connection with the Electricity Industry Metering Code by negotiations in good faith.	5	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <p>However, it is noted that the ETAC &amp; REA requires the dispute to be resolved within 10 business days.</p> <p>Discussions with the Secretariat of the ERA during the audit confirmed the legislative requirement of the Code would take precedence over the ETAC/REA should an issue arise.</p> <ul style="list-style-type: none"> <li>▪ Discussion with the General Manager Retail Operations</li> <li>▪ Discussions with the Secretariat of the ERA</li> <li>▪ Web Portal</li> <li>▪ ETAC</li> <li>▪ REA</li> </ul>	Not Rated [NR]
455 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 8.1(2)</b>	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	5	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <p>However, it is noted that the ETAC &amp; REA requires the dispute to be resolved within 20 business days.</p> <p>Discussions with the Secretariat of the ERA</p>	Not Rated [NR]

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					<p>during the audit confirmed the legislative requirement of the Code would take precedence over the ETAC/REA should an issue arise.</p> <ul style="list-style-type: none"> <li>▪ Discussion with the General Manager Retail Operations</li> <li>▪ Discussions with the Secretariat of the ERA</li> <li>▪ Web Portal</li> <li>▪ ETAC</li> <li>▪ REA</li> </ul>	
456 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 8.1(3)</b>	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	5	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <p>Also refer finding 454</p> <ul style="list-style-type: none"> <li>▪ Discussion with the General Manager Retail Operations</li> <li>▪ Discussions with the Secretariat of the ERA</li> <li>▪ Web Portal</li> <li>▪ ETAC</li> <li>▪ REA</li> </ul>	Not Rated [NR]
457	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause</b>	If the dispute is resolved by representative negotiations, senior management negotiations or	4	There have been no disputes during the audit period. As such assessment of compliance with	Not Rated

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING  ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE  → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
[Type 2]		<b>8.1(4)</b>	CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.		this requirement cannot be made.  ▪ Discussion with the General Manager Retail Operations  ▪ Web Portal	[NR]
458 [Type NR]	<b>Retail Licence condition 5.1</b>	<b>Electricity Industry Metering Code clause 8.3(2)</b>	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective of dispute resolution with as little formality and technicality and with as much expedition as the requirements of Part 8 of the Code and a proper hearing and determination of the dispute, permit.	5	There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.  ▪ Discussion with the General Manager Retail Operations  ▪ Web Portal	Not Rated [NR]
<b>SECTION 16: Electricity Industry (Network Quality and Reliability of Supply) Code – Licence Conditions and Obligations</b>						
THIS SECTION IS NOT APPLICABLE TO ERM POWER AS THERE HAVE BEEN NO SPECIFIC CONDITIONS AND OBLIGATIONS ATTACHED TO THE RETAIL LICENCE						

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