



Integrated Regional Licence (EIRL2)

Performance Audit Report
Horizon Power

October 2008

Private and Confidential

Mr Frank Buttigieg
Regulation Compliance Authority
Horizon Power
PO Box 79
PERTH WA 6000

Dear Mr Buttigieg

Regional Power Corporation - Electricity Licence Audit Report on the Effectiveness of Control Procedures

We are pleased to provide you with the final Audit Report on the Effectiveness of Control Procedures in relation to the Integrated Electricity Regional Licence. Our report describes the objectives, scope of work performed, approach, and improvement opportunities.

If you have any questions regarding our report or the work that it describes, please contact myself on 9429 2136 or Alistair Smart on 9217 1319.

Yours sincerely

Ernst & Young
Heidi Riddell
Partner

Attachment

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1. Executive Summary

1.1 Background

Under section 13 of the Electricity Industry Act 2004 (WA), it is a requirement that every licensee provide the Economic Regulation Authority (“Authority”), not less than once in every 24 month period, with a Audit Report on the Effectiveness of Control Procedures conducted by an independent expert acceptable to the Authority.

This is the first Audit Report on the Effectiveness of Control Procedures of Horizon Power’s (“HP”) compliance with obligations in relation to the Integrated Regional Licence (EIRL2), since its issue in March 2006. Therefore this engagement did not involve reviewing actions taken in response to previous recommendations as this is the first audit undertaken.

1.2 Business Processes and Systems

The areas that have been considered in this audit were:

- ▶ Metering;
- ▶ Supply Quality and Reliability;
- ▶ Customer Service; and
- ▶ Retail.

The disaggregation of Western Power (WP) placed a number of processes that support compliance with HP’s license requirements under the daily operation of either WP or Synergy. The contracts between HP, Synergy and WP did not include detailed Service Level Agreements (SLAs) to support the compliance requirements under the license. For certain obligations we considered controls at HP to understand the effectiveness of the processes operated by WP and Synergy to meet HP licence compliance requirements.

The key systems supporting the compliance process for the areas audited are:

- ▶ **Metering Business System (“MBS”).** This is a WP System and serves as the single database for metering information and facilitates WP’s provision and management of metering services. MBS is used for meter reading, meter register maintenance, service order management, data storage validation and estimation.

MBS has not been interrogated to provide reports detailing information specific to HP in regards to metering, disconnections and reconnections.

- ▶ Management informed us that HP are currently using 4 distribution management systems to assist in aspects of planned and unplanned network operations; these systems include:
 - ▶ XA/21 Supervisory Control and Data Acquisition (SCADA) System to support the North West Control Centre;
 - ▶ CiTech SCADA System for isolated control centres such as Kwinana and Esperance;
 - ▶ PML Pegasys SCADA system to monitor small non-interconnected IPP switchboards; and

- ▶ NULEC WSOS to monitor and control network reclosers.

Gradually the **Electricity Network Management and Control (“ENMAC”)** distribution management system will replace all systems and be used as a centralised system to cover all areas. ENMAC will provide real time data for approximately 30 power systems. It is used in production mode by the controllers and other key personnel in the control center to monitor and create planned and unplanned switching programs for operating the network. CiTech will retain in Broome, Carnavon, Esperance and Kununurra as a backup local SCADA when ENMAC is deployed.

- ▶ **Trouble Call Management system (TCMS).** The TCMS application is currently used by HP to manage and monitor inbound customer calls that follow a power outage, and manage the outbound provision of information to field crews, customers, and stakeholders. TCMS is currently used to monitor all customer outage notifications including start time, crew dispatch time and fault operation completion time. This system also monitors temporary fixes and electrical hazards interfaces with SCADA to provide an overview of fault and efforts to restore energy.

This data is used to collate the reliability figures published in the monthly business report.

- ▶ **Customer Information System (“CIS”).** CIS is an application used by Synergy Energy (“Synergy”) to manage customer information for metering, connections, disconnections, billing, collections, customer relationships and receive billing information from the MBS. Currently HP has view access to CIS only.
- ▶ **Ellipse.** Ellipse is an Enterprise Resource Planning system owned by WP but used internally at HP to support their accounting and finance functions. Ellipse encompasses a range of modules including chart of accounts, fixed asset management, purchasing and projects/ contract administration.

1.3 Summary of Issues and Recommendations

The table below provides a summary of findings arising from the audit on the effectiveness of control procedures together with a summary of management’s post-audit action plan. Further detail is provided in section 5.

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
5. Compliance (Metering)			
306 307 309 314 317 305 318 328 336 344 345 346 358 361 385 386 388 410	<p>Fieldwork identified absence of:</p> <ul style="list-style-type: none"> ▶ Service Level Agreement (SLA) established between HP and WP specifically for metering during the audit period; and ▶ Formal reporting protocol from WP to HP. These include reporting on KPI's, compliance or incidents. <p>Testing of controls under obligation 318 identified 1 instance of 8 whereby the Service Order Outstanding Report was not generated.</p>	<p>A SLA between HP and WP should be developed to encompass obligation requirements 306 -410.</p> <p>WP should provide reporting to HP on compliance with obligation requirements 306 - 410 in the form of KPI's, compliance and incident reports.</p> <p>Service Order Outstanding Report should be generated weekly in all instances.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised.</p> <p>We will provide the Authority with a draft of the register for approval.</p> <p>The Metering SLA to be finalised.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p>

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
366 367 404 408	<p>The procedures for estimating electricity usage process has not been documented and approved.</p> <p>There was no SLA between HP, WP and Synergy to address compliance with obligations 366,367, 404 and 408 during the audit period.</p> <p>There is also no formal reporting protocol between HP and WP.</p>	<p>HP should develop, document and approve the procedures for estimating electricity usage process.</p> <p>A SLA between HP and WP should be developed to cover obligation requirements 366,367, 404 and 408.</p> <p>WP should provide reporting to HP on compliance with obligation requirement 366, 367, 404 and 408.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>The Metering SLA to be finalised.</p>
343	A list of registered metering installation providers are not published on the HP website. There is no process in place to review and approve the metering installation provider list on an annual basis.	<p>HP should review and approve the metering installation provider list on an annual basis. For each metering installation provider, the certificate should be vouched. Procedures should be documented for this process.</p> <p>The list of registered metering installation providers should be published on HP website.</p>	<p>HP will review and approve the metering installation list. The list will then be reviewed and approved on an annual basis.</p> <p>HP will document the procedures for the review of each metering provider and ensure the list is published on the HP website.</p>
5. Compliance (Supply, Quality & Reliability)			
440 441	<p>Testing identified 3 of 25 instances where payments were not made to customers within 30 days of the receipt of a claim as required by the obligation.</p> <p>The existing customer service charter does not refer to the obligation for HP to make an \$80 payment for supply interruption exceeding 12 hours.</p>	<p>HP should make payments to customers who are entitled a payment within the specified timeframe of 30 days.</p> <p>In addition, HP should monitor outstanding claims and determine an accountable officer to detect late payment.</p>	<p>The Customer Charter to be reviewed to ensure obligations 440 and 441 are included and specified.</p> <p>An accountable officer will be determined and given responsibility for monitoring outstanding claims.</p>

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
445	HP is currently using WP's documented retention and disposal schedules.	HP should develop a set of retention and disposal schedules specific to HP upon upgrade of the DMS.	The DMS system will be upgraded. HP to develop retention and disposal schedules. We will ensure documentation is retained in accordance with the Network Quality and Reliability code.
281 282	HP does not keep records for: <ul style="list-style-type: none"> ▶ The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct or agreed with the customer; and ▶ Street light fault repair indicators specified. <p>HP may request the information from WP when required.</p>	HP should obtain information from WP to retain records at HP for: <ul style="list-style-type: none"> ▶ The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct; and ▶ Street light fault repair indicators. 	HP will obtain the following information from WP on a regular basis: <ul style="list-style-type: none"> ▶ The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct; and ▶ Street light fault repair indicators. <p>HP will review the information and take actions as appropriate. HP will undertake this action immediately.</p>
5. Compliance (Customer Service)			
72	Policies and procedures do not exist for the requirements under obligation 72, specifically connecting premises to a distribution system under circumstances in regulation 5(1) of the Electricity Industry - Obligation to Connect.	Policies and procedures should be developed, reviewed and approved in relation to the requirements under obligation 72.	The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document HP compliance with obligation 72.
73 74	The Network Connection and Extension Manual, is currently in draft and has not been approved.	The Network connection and Extension Manual should be approved.	The Network Connection and Extension manual is to be approved and completed.
75	Policies and procedures do not exist to document the requirements under clause 75. Testing identified one instance where connection was not performed until the 42nd day from the date of application.	Customers should be connected within the specified timeframe stipulated under clause 75. If a connection can not be made by the end of the 20th business day, customer should agree in writing for a future date for connection.	The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches.

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
76	Policies and procedures do not exist to document the circumstances in which premises need to be energised.	HP should document policies and procedures that specify obligation 76.	The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document HP compliance with obligation 76.
77	<p>Policies and procedures do not exist to document the requirements under clause 77.</p> <p>Testing identified one instance where energisation was not completed within one business day after the day of which the application was received.</p> <p>HP was not able to provide energisation data from 1 April 2006 - 31 December 2006.</p>	<p>HP should document policies and procedures that clearly specify obligation 77.</p> <p>Energisation should be completed within the timeframe stipulated under clause 77. If not, supporting evidence that the customer was contacted or reason for late energisation should be documented.</p> <p>Data regarding energisation of customers should be retained for completeness, audit procedures and future reference.</p>	The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches and retains the data required for clause 77. We will draft procedures for using the MBS system to document HP compliance with obligation 77.
216 217 215 218	HP does not have policies or a procedure regarding the disconnection of customers on life support equipment as this function is undertaken by the service provider, Synergy.	HP should obtain a copy of Synergy procedures for customers on life support equipment to ensure they comply with the requirements under obligations 216 - 218.	<p>HP has obtained a copy of Synergy procedures for customers on life support equipment to ensure they comply with the requirements under obligations 216 - 218.</p> <p>Going forward, HP will request information from Synergy each month to confirm HP compliance with obligations that fall under the day to day operational control of Synergy.</p> <p>In addition, HP will request copies of data (either in excel or another format) that relates to these license conditions for analysis and review. Action will be taken as appropriate following review of the data.</p>

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
221	HP does not receive compliance reporting with regards to obligation requirement 221 from either Synergy or WP.	HP should request reporting of the customers who were not connected within the timeframes as stipulated in obligation requirement 221.	HP now receives a weekly Outstanding Service Order Report from WP. This report shows service orders that were not completed within the timeframes as stipulated in obligation requirement 221. Horizon Power has hired an independent consultant to review this report for accuracy and completeness.
249 250 251 252	The policies and procedures with regards to the provision and retention of customers' consumption data are not documented by HP. There is no SLA established between HP and Synergy referring to these obligations.	HP should document and approve procedures to cover obligation requirements 249 - 252. An SLA between Synergy and HP should be developed to encompass the obligation requirements 249 - 252.	HP will ensure procedures are documented and approved to cover obligation requirements 249-252. HP has an SLA with Synergy and this will be checked to ensure it includes the requirements for customer contact handling.
248 256 253 254 419	Performance reports provided by Synergy do not include information with regards to its performance in handling customers' requests. The distributions standards are currently not published on the HP Website. There are no formal documented procedures with relation to the notification of changes.	Performance reports from Synergy should include information in relation to Synergy's performance in handling customers' requests. HP should publish distribution standards on the HP website. In addition, procedures should be documented to stipulate the process undertaken for a change in contact details.	Horizon Power to review Synergy reports. Horizon Power to review Synergy SLA and discuss, formalise KPIs. Horizon Power to document procedures to stipulate the process undertaken for a change in contact details.
267 296 272 301 302 273	Sample testing identified the following: <ul style="list-style-type: none">▶ One instance out of ten whereby the customer was not acknowledged within the specified ten working days;▶ For six instances of ten, we were unable confirm if the acknowledgement of complaint were made within the specified ten working days as the dates of complaints were not lodged in the complaint register prior to 2008; and▶ Two instances out of ten samples indicated that the complaints were not resolved within 20 business days after the acknowledgement. The HP complaints policy does not include policies and procedures relating to the required obligation.	HP should continue to document the date in which customers' complaints are acknowledged. HP should respond to customer complaints within 10 working days. HP should resolve complaints within 30 days from the date of receipt of complaint. If this is not possible, the reason should be documented. The HP complaints policy should document the required procedures specific to obligations 267, 269, 272 & 273.	Horizon Power will ensure customer complaints are acknowledged within ten working days and record the date the complaint was received. In addition, Horizon Power will seek to resolve complaints within 20 business day. We will remind staff of the need to meet the requirements for handling and recording complaints. In addition we will ask our internal auditors to review and recommend improvements. Horizon Power will review the current complaints policy and update it to reflect the requirements of obligations 267, 269, 272 and 273. The revised policy will be approved.

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
427	The HP complaints policy does not include policies and procedures relating to obligation requirement 427.	The HP complaints policy should be updated to incorporate the dispute handling and escalation process as required by obligation 427.	Complaints Policy to be updated and completed
5. Compliance (Retail)			
218	HP has no record or access to Synergy's policies and procedures to confirm compliance with obligation 218.	HP should obtain a copy of the Synergy procedures on life support equipment. HP should review the procedures to ensure that it meets the requirements of the relevant clauses and obligations.	HP has obtained a copy of Synergy procedures for customers on life support equipment to ensure they comply with the requirements under obligations 216 - 218.
227 228	<p>Once a prepayment meter is installed by HP, Synergy provides customer services for the customer on behalf of HP. It is not clear whether Synergy has procedures in place for prepayment customers that require life support equipment.</p> <p>HP has no record or access to Synergy's policies and procedures to confirm compliance with obligation 227 and 228.</p>	HP should obtain a copy of Synergy procedures on prepayment meters. HP should review the procedures to ensure that it meets the requirements of the relevant clauses and obligations.	<p>Horizon Power will obtain a copy of Synergy's procedures on prepayment meters. These will be reviewed to ensure they meet the requirements of clauses 227 and 228.</p> <p>Going forward, HP will request information from Synergy each month to confirm HP compliance with obligations that fall under the day to day operational control of Synergy.</p>
139	<p>HP has no record or access to Synergy's policies and procedures to confirm compliance with obligation requirement 139.</p> <p>The SLA between Synergy and HP does not refer to the obligation relating to the Privacy Act.</p>	A SLA should be developed, agreed and approved between Synergy and HP should stipulate the obligations relating to the Privacy Act.	Agreement to be sought with Synergy outlining obligations relating to the Privacy Act.
142 150	HP does not receive reports from Synergy in relation to late billings to customers.	HP should introduce receiving reports from Synergy for obligation requirements 142 and 150.	Reports to be obtained monthly, reviewed and action taken as appropriate.

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
157 158 159	<p>The current processes relating to this obligation resides with the service provider, Synergy.</p> <p>HP does not receive reporting from Synergy in relation to obligation requirements 157 - 159.</p>	<p>HP should obtain the following reports from Synergy:</p> <ul style="list-style-type: none"> ▶ Estimated billings made over a pre- defined period; and ▶ Amount of adjustments made over a pre- defined period. <p>These reviews should be reviewed by management and monitored against the requirements of obligation 157-159.</p>	<p>Reports to be obtained monthly, reviewed and action taken as appropriate.</p>
161 162	<p>HP do not receive reports from either Synergy or WP for requirements specified in obligation 161 and 162.</p>	<p>HP should introduce receiving reports relating to the licence obligations:</p> <ul style="list-style-type: none"> ▶ Number of meters tested over a pre-defined period; ▶ Charges for testing meters over a pre-defined period; and ▶ Refunds made to the customer for defective meters. <p>These reviews should be reviewed by management and monitored against the requirements of obligation 161-162.</p>	<p>Reports to be obtained monthly, reviewed and action taken as appropriate.</p>
168	<p>The current process relating to this obligation resides with the service provider, Synergy. There are no reporting protocols from Synergy to HP relating to credits issued to customers.</p>	<p>HP should introduce receiving reports relating to obligation requirement 168.</p> <p>These reviews should be reviewed by management and monitored against the requirements of obligation 168.</p>	<p>Reports to be obtained monthly, reviewed and action taken as appropriate.</p>
176	<p>The current billing and collection policies or procedures document does not make reference to the due date for bills issued to customers.</p>	<p>The HP billings policy should stipulate the requirement that the due date on a bill must be at least 12 business days from the date of the bill with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.</p>	<p>The HP billings policy to be reviewed to ensure it stipulates the requirement that the due date on a bill must be at least 12 business days from the date of the bill with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.</p>

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
178	<p>HP does not have documented policy to ensure compliance with the EFT code of conduct.</p> <p>We understand that Synergy is also involved in providing services relating to funds transfer. There is no reporting protocol between Synergy and HP regarding compliance with the EFT code of conduct. The existing SLA does not refer to the required obligation.</p>	<p>HP should formalise their policy for compliance with obligation 178.</p> <p>A SLA between Synergy and HP should be developed to encompass the requirements of obligation 178.</p> <p>HP should introduce receiving reports relating to compliance with the EFT Code of Conduct in making an electronic payment.</p>	<p>Horizon Power to review Synergy reports.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs.</p> <p>Horizon Power to document procedures to stipulate the process undertaken to comply with EFT code of conduct</p>
185 186 187	<p>The SLA between HP and Synergy and HP billings and collection policies and procedures do not make references to the obligation requirements relating to 185 to 187.</p> <p>HP does not maintain an incident log.</p>	<p>The HP Billing and Collection policy should document the required procedures specific to obligations 185-187.</p> <p>A SLA between Synergy and HP should be developed to encompass the obligation requirements of obligation 185 - 187.</p> <p>HP should develop an incident log to keep track of all breaches and any nil incidents.</p>	<p>The HP Billing and Collection policy will document the required procedures specific to obligations 185-187.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs.</p> <p>Horizon Power to document procedures to stipulate an incident log be kept</p>
188	<p>HP billing and collection policies do not refer to the guidelines on debt collection issued by the Australian Competition and Consumer Commission.</p>	<p>The HP Billing and Collection policy should document the procedures specific to obligations 188.</p>	<p>The Hardship policy that meets the requirements of this obligation is now posted on the Horizon power website</p>
189 190 191	<p>The SLA with Synergy does not refer to the obligations relating to 189 to 191.</p> <p>Furthermore, there is no reporting compliance and/or incident reporting between Synergy and HP.</p>	<p>A SLA between Synergy and HP should be developed to encompass the requirements of obligations 189 to 191.</p> <p>HP should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy reports.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligations 189 to 191.</p>

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
197 198 199	<p>The SLA with Synergy does not refer to the obligations relating to 197 to 199.</p> <p>Furthermore, there is no reporting compliance and/or incident reporting between Synergy and HP.</p>	<p>A SLA between Synergy and HP should be developed to cover the requirements of obligations 197 to 199.</p> <p>HP should request receiving reports from Synergy relating to the licence obligation.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>The SLA to be finalised.</p> <p>The Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p>
206 207 208 209	<p>HP does not retain a copy of the Hardship policy developed by Synergy.</p>	<p>HP should obtain Synergy's hardship policy. HP should review the policies to verify that they are consistent with the obligation requirements 206 - 209.</p>	<p>The Policy is now in the DMS system. Action completed.</p>
210	<p>HP Billings and Collection policies and procedures do not clearly specify the requirements of obligation 210.</p> <p>The SLA between Synergy and HP does not detail the obligation relating to 210. Furthermore, no reporting exists between Synergy and HP.</p>	<p>A SLA between Synergy and HP should be developed to cover obligation requirement 210.</p> <p>The HP Billing and Collection policy should document the procedures specific to obligation requirement 210.</p> <p>HP should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligation 210.</p> <p>The Billing and Collection policy will be updated to document the requirements of obligation 210. The updated version will be approved and communicated to relevant staff.</p> <p>HP will introduce receiving reports as required per the license.</p>

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
211 212 214 219 220 224 225 226	<p>HP does not have a policy in terms of compliance with obligations 211, 212, 214, 219,220, 224, 225 and 226.</p> <p>The SLA between Synergy and HP does not detail the obligations relating to 211, 212, 214, 219, 220, 224, 225 and 226. Furthermore, no reporting exists between Synergy and HP.</p>	<p>HP should formalise policies and procedures that relate to obligations 211, 212, 214, 219,220, 224, 225 and 226.</p> <p>A SLA between Synergy and HP should be developed to encompass the requirements of obligations 211, 212, 214, 219,220, 224, 225 and 226.</p> <p>HP should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy reports.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligations 211, 212, 214, 219,220, 224, 225 and 226.</p> <p>HP will introduce receiving reports as required per the license.</p>
291	<p>The complaints register did not provide detailed comments on how complaints were resolved prior to January 2008.</p> <p>HP does not receive reports from Synergy on the amount of compensations made for late reconnections.</p>	<p>HP should introduce receiving reports listing compensation made for late connections.</p> <p>HP should request confirmation from Synergy that there is a robust process in place to identify customers who are entitled to reconnection and disconnection compensations</p>	<p>Reports to be obtained monthly, reviewed and action taken as appropriate.</p> <p>We will request confirmation from Synergy each month that the compensations process is effective and operating in a robust manner.</p>
293	<p>The complaints register did not provide detailed comments on how complaints were resolved prior to January 2008.</p> <p>HP does not receive reports from Synergy on the amount of compensations made for late disconnections.</p>	<p>HP should request a monthly report from Synergy on the amount of compensation made for late disconnections.</p> <p>HP should update the complaints register with information regarding the resolution of complaints.</p>	<p>Reports to be obtained monthly, reviewed and action taken as appropriate.</p> <p>Horizon Power will update the complaints register with information regarding the resolution of complaints.</p>
5. Compliance (Non Reportable Obligations)			
155	<p>The SLA between Synergy and HP does not refer to this required obligation.</p> <p>HP does not receive any compliance reports relating to this obligation.</p>	<p>HP should update the SLA to clearly specify requirement of obligation 155.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>The Metering SLA to be finalised.</p>

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
433	There are no documented policies and procedures in relation to providing a customer with alternative electricity supply means affected by a proposed interruption.	HP should document procedures for the process undertaken to provide a customer with alternative electricity supply.	Horizon Power to document procedures and save them in DMS. These will be reviewed on an annual basis.
92	There is no extension and expansion policy for Generation. In addition, the Network extension and expansion policy is still in draft form.	HP should document and approve the Generation and Network extension and expansion policies.	HP to develop and approve the Generation and Network extension and expansion policies.
192	HP does not receive reports from Synergy of customers undergoing payment difficulties or financial hardship and any assessment or decision that might have been made by Synergy.	HP should obtain a list from Synergy of HP customers undergoing payment difficulties or financial hardship on a pre-determined interim basis.	Reports to be obtained monthly and reviewed by Horizon Management.
362	HP relies on WP to undertake the meter reading. The SLA with WP does not refer to this obligation.	A SLA between HP and WP should be developed to encompass the requirement of obligation 362.	A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report. The Metering SLA to be finalised.
417	HP does not have procedures or a register to record and process directions received by the Authority. Furthermore, procedures has not been documented for the process of responding to directions provided by the Authority.	HP should implement a register to maintain all directions received by the Authority. Additionally, a policy should be created to document the process of responding to directions provided by the Authority.	HP is implementing a new computer system, CURA. Part of its functionality is to provide a register to maintain all directions received by the Authority. Additionally, a policy will be created to document the process of responding to directions provided by the Authority, and this will be managed in CURA.
426	The dispute handling escalation process is not documented in HP's complaints policy 31/01/08.	The dispute handling process should be documented in HP's complaints policy.	Horizon Power to document the dispute handling process. These will be reviewed on an annual basis.

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
430	<p>The SLA with Synergy and HP's policies and procedures do not refer to this obligation.</p> <p>There is no compliance/incident reporting provided by Synergy to HP relating to this obligation.</p>	<p>A SLA between HP and WP should be developed to encompass the requirement of obligation 430. Compliance and incident reporting should be provided by Synergy to HP in relation to this obligation.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>The Metering SLA to be finalised.</p>
14. Amending the Standard Form Contract			
14.1 14.2	<p>There are no documented procedures for amendments to the standard form contract.</p>	<p>Procedures should be documented and approved for the procedures to amend the standard form contract.</p>	<p>Horizon Power to Document procedures and save them in DMS.</p> <p>These will be reviewed on an annual basis.</p>
15. Customer Service Charter			
15.2 15.3 15.4	<p>There are no policies or procedures established for the review or amendment of the Customer Service Charter.</p>	<p>We recommend that HP develop and approve policies and procedures to cover the process for reviewing, updating and approving changes made to the Customer Service Charter.</p>	<p>Horizon Power to Document procedures and save them in DMS.</p> <p>These will be reviewed on an annual basis.</p>
16. Amending the Customer Service Charter			
16.1	<p>There are currently no policies or procedures established for the review or amendment of the Customer Service Charter</p>	<p>We recommend that HP develop policies and procedures for amending the Customer Service charter.</p>	<p>Horizon Power to Document procedures and save them in DMS.</p> <p>These will be reviewed on an annual basis.</p>
17. Supplier of Last Resort			
17.1	<p>No policies or procedures have been established for the functions of the supplier of last resort.</p>	<p>HP should develop policies and procedures detailing the functions of the supplier of last resort.</p>	<p>Horizon Power to Document procedures and save them in DMS.</p> <p>These will be reviewed on an annual basis.</p>

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
18. Directions of the Authority			
18.1	HP does not have a system or register in place to handle, record, manage and monitor directions provided by the Authority.	HP should develop a register to record and maintain all directions received by the Authority.	HP is implementing a new computer system, CURA. Part of its functionality is to provide a register to maintain all directions received by the Authority. Additionally, a policy will be created to document the process of responding to directions provided by the Authority, and this will be managed in CURA.
19. Approved Scheme			
19.1	HP does not have a system or register in place to handle, record, manage and monitor directions provided by the Electricity Ombudsman.	HP should develop a register to record and maintain all directions received by the Electricity Ombudsman.	Horizon Power will develop a register and document procedures for its maintenance, update and review. These procedures will be saved in the DMS system. These will be reviewed on an annual basis.
20. Renewable Source Electricity Contract			
20.1	HP has not submitted a draft renewable source electricity contract to the Coordinator for approval.	Horizon Power should draft and submit the contract to the Coordinator for approval and implement the use of the Renewable Source Electricity Contract.	Horizon Power will develop a draft contract and ensure it is appropriately approved.
21. Renewable Source Electricity			
21.1 21.2 21.3	HP is not using a specific contract for a renewable source customer however is using the standard form contract.	HP should submit to the coordinator for approval the draft renewable source electricity contract for use with its renewable source electricity customers.	Horizon Power will develop a draft contract and ensure it is appropriately approved.
24. Accounting Records			
24.1	HP does not have a documented accounting manual that includes references to Australian Accounting Standards or equivalent International Accounting Standards. Currently, HP relies on WP's Accounting Manual.	HP should develop and document an accounting manual that includes references to the applicable accounting standards.	HP to develop and document an accounting manual that includes references to the applicable accounting standards. The Manual to be reviewed and to obtain board approval

Integrated Regional Licence Clause	Issue	Recommendation	Post-Audit Action Plan
28. Reporting			
28.1	There is no formal documented process in place to monitor significant changes in the corporate, financial or technical circumstances which may affect HP's ability to meet its licence obligations.	<p>HP should create a checklist that is to be completed on a periodic basis to consider the going concern status of the company and document any changes in circumstances.</p> <p>Notices should be recorded, tracked and reported.</p> <p>A formal policy should be documented and approved for the process of notification to the Authority.</p>	<p>Horizon Power will liaise with its appointed auditors to confirm that their scope of work includes providing assurance to stakeholders that the company is a going concern. In addition, Horizon Power will prepare a register to document any changes in circumstances to ensure any notices are appropriately recorded, tracked and reported to the Authority to ensure changes in circumstances are documented in writing and retained.</p> <p>A policy will be drafted and submitted to the Authority for comment before being finalised by Horizon Powers board.</p>
29. Provision of Information			
29.1	There is no formal process or register in place to capture and monitor information requests from the Authority for information.	HP should implement system to track and monitor information requests received from the Authority.	HP to implement system to track and monitor information requests including phone calls.
31. Notices			
31.1 31.2	Testing identified notices received by HP from the Authority during the audit scope period; however there is no register to record these notices.	HP should develop a register to record all notifications from the Authority or the Office of Energy.	HP to develop a register of notifications from Authority and Office of Energy
32. Review of Authority's Decisions			
32.1	There is no formal documented process for seeking a review of a decision by the Authority.	HP should develop policies to guide the process of requesting a review of an authority decision.	HP to develop policies to guide the process of requesting a review of an authority decision.

1.4 Audit Opinion

In our opinion, except for the process and control weaknesses relating to license clause reference 5 and license clause references 20 and 21 indentified within section 2 of this report, HP maintained, in all material respects, effective control procedures in relation to the EIRL2 for the period 1 April 2006 to 31 March 2008, based on the relevant clauses referred to within the scope section of this report.

1.5 Overall Assessment of Compliance

Horizon Power partially complies with their license obligations due to the non-compliances identified in relation to the following:

- ▶ Clause 5: Compliance
- ▶ Clause 20: Renewable source electricity contract
- ▶ Clause 21: Renewable source electricity

We have made recommendations for any process and/or control environment improvement opportunities identified as an outcome of conducting the audit.

2. Audit Scope

2.1 Objective

The objective of the audit on the effectiveness of control procedures was to enable the auditor to express an opinion whether, in all material respects, HP's control activities have been carried out in accordance with the EIRL2 conditions and other relevant regulations have operated effectively as outlined in the scope.

2.2 Scope

The scope of the audit was limited to:

- ▶ Understanding the risks posed by non-compliance with the aim of developing a risk based audit programme to focus on the high risk areas, with less consideration of medium and low risk areas; and
- ▶ Considering the design and effectiveness of control measures taken by HP to comply with the standards, outputs, outcomes and reporting requirements under the following terms of the Integrated Regional Licence (EIRL2):
 - ▶ Clause 4: Fees
 - ▶ Clause 5: Compliance (including Metering, Supply, Quality and Reliability, Customer service, Retail, Non reportable obligations)
 - ▶ Clause 6: Marketers
 - ▶ Clause 13: Customer Contracts
 - ▶ Clause 14: Amending the Standard Form Contract
 - ▶ Clause 15: Customer Service Charter
 - ▶ Clause 16: Amending the Customer Service Charter
 - ▶ Clause 17: Supplier of Last Resort
 - ▶ Clause 18: Directions by the Authority
 - ▶ Clause 19: Approved Scheme
 - ▶ Clause 20: Renewable source electricity contract
 - ▶ Clause 21: Renewable source electricity
 - ▶ Clause 22: Extension and expansion plan
 - ▶ Clause 23: Expansion or reduction of generating works
 - ▶ Clause 24: Accounting Records
 - ▶ Clause 26: Performance Audit
 - ▶ Clause 27: Asset Management System
 - ▶ Clause 28: Reporting
 - ▶ Clause 29: Provision of Information
 - ▶ Clause 30: Publishing Information
 - ▶ Clause 31: Notices
 - ▶ Clause 32: Review of Authority's Decisions

The scope of fieldwork covered the period from 30 March 2006 to 31 March 2008. The planning, field work, reporting and presentation of results to HP's management were executed between March and August 2008.

The audit has been conducted in accordance with Australian Auditing Standards AUS 810 "Special Purpose Reports on the Effectiveness of Control Procedures" and accordingly included tests and procedures we considered necessary in the circumstances. These procedures have been undertaken to form an opinion whether, in all material respects, the control procedures in relation to HP's EIRL2 operated effectively.

The report has been prepared for HP, as the responsible entity for compliance with the EIRL2, and the Authority in accordance with section 13 of the Electricity Industry Act 2004 (WA). We disclaim any assumption of responsibility for any reliance on this report to any person other than the responsible entity and the Authority, or for any purpose other than that for which it was prepared.

Budget Scope and Resources

Resource	Hours
Heidi Riddell, Partner	15
Alistair Smart, Senior Manager	57
Saw Lin Ang, Manager	91
Michelle Heng, Senior Advisor	226
Chermaine Tan, Advisor	115
Christopher Shirley, Advisor	50
Total	554

Inherent Limitations

Because of the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that we have audited operated, has not been audited and no opinion is expressed as to its effectiveness.

An audit is not designed to detect all weaknesses in compliance measures as an audit is not performed continuously throughout the period and the audit procedures performed on the compliance measures are undertaken on a test basis.

Any projection of the evaluation of compliance with the operating licences to future periods is subject to the risk that the compliance measures may become inadequate because of changes in conditions or circumstances, or that the degree of compliance with them may deteriorate.

The audit opinion expressed in this report has been formed on the above basis.

2.3 Approach

An audit plan was developed using a risk based approach to focus on key risk areas and to allow us to provide an audit opinion. The audit plan included, for each licence condition:

- ▶ A table that identified:
 - ▶ Audit priority;
 - ▶ Risk consequence rating;
 - ▶ Likelihood rating;
 - ▶ Inherent risk rating; and
 - ▶ Adequacy of existing controls.

- ▶ A brief description of the tests undertaken to assess compliance with the licence condition.

Identified controls were tested through a combination of discussions with relevant personnel, document reviews, walkthroughs and sample testing. The developed audit plan was submitted to the Authority for their review and comment. Approval was obtained from the Authority on 30 June 2008.

We have completed our procedures with respect to HP's compliance with the EIRL2 conditions for the period from 30 March 2006 to 31 March 2008. The planning, field work, reporting and presentation of results to HP's management were executed between May and July 2008.

2.4 Licensee's Representatives and Key Documents Examined

Details of the licensee's representatives and key documents examined are attached at Appendix D and C respectively.

3. Response to previous audit recommendations

This is the first audit on the effectiveness of control procedures since the disaggregation of Western Power therefore there have been no previous audit recommendations.

4. Control Procedure compliance summary

The compliance ratings have been applied based on the definitions stipulated in the Audit Guidelines: Electricity, Gas, and Water Licenses issued by the Economic Regulation Authority of Western Australia. Please refer to Appendix A for detailed definitions.

Integrated Regional Licence Clause Reference	Distribution Licence Criteria	Likelihood (Likely, Probable, Unlikely)	Consequence (Minor, Moderate, Major)	Inherent Risk (Low, Medium, High)	Adequacy of existing controls (Strong, Moderate, Weak)	Compliance Rating (Refer to Appendix B)				
						1	2	3	4	5
4	Fees	Unlikely	Minor	Low	Moderate					X
5	Compliance	Likely	Major	High	Weak		X			
6	Marketers	Likely	Moderate	High	Not Applicable					
13	Customer Contracts	Probable	Minor	Low	Moderate					X
14	Amending the Standard Form Contract	Unlikely	Moderate	Medium	Moderate				X	
15	Customer Service Charter	Unlikely	Moderate	Medium	Moderate				X	
16	Amending the Customer Service Charter	Likely	Moderate	High	Moderate				X	
17	Supplier of Last Resort	Probable	Moderate	Medium	Moderate				X	
18	Directions by the Authority	Unlikely	Major	High	Moderate				X	
19	Approved Scheme	Unlikely	Moderate	Medium	Moderate				X	
20	Renewable source electricity contract	Probable	Moderate	Medium	Weak		X			
21	Renewable source electricity	Likely	Moderate	High	Moderate		X			
22	Extension and expansion plan	Probable	Moderate	Medium	Moderate					X
23	Expansion or reduction of generating works	Probable	Moderate	Medium	Moderate					X
24	Accounting Records	Unlikely	Minor	Low	Moderate				X	
26	Performance Audit	Unlikely	Minor	Low	Strong					X
27	Asset Management System	Probable	Moderate	Medium	Moderate					X
28	Reporting	Unlikely	Major	High	Moderate				X	
29	Provision of Information	Unlikely	High	Major	Moderate				X	
30	Publishing Information	Unlikely	High	Medium	Moderate				X	
31	Notices	Probable	Minor	Low	Moderate				X	
32	Review of Authority's Decisions	Unlikely	Minor	Low	Moderate				X	

5. Key finding and recommendations

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
5. Compliance (Metering)				
306 307 309 314	<p>A network operator must ensure that there is a metering installation at every connection point on its network, excluding Type 7 connection points (e.g. Street lights, parking meters, community). All meters must meet the requirements specified in the applicable metrology procedure and National Measurement Institute under the National Measurement Act.</p> <p>A network operator must, for each metering installation on its network, on and from the time of its connection to the network, provide, install, operate and maintain the metering installation in the manner prescribed (unless otherwise agreed).</p> <p>A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.</p> <p>For a metering installation used to supply a customer with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, the metering installation must meet the relevant accuracy requirements of Type 3 metering installation.</p>	<p>HP relies on Western Power (WP) to provide all metering services. There was no Service Level Agreement (SLA) established specifically for metering during the audit period. The Manager Commercial and Customer Services stated that HP is in the process of developing a SLA for metering.</p> <p>There is no formal reporting protocol between the two parties. Hence no KPI, compliance or incident reports have been provided to HP. The Contract Authority, Network Customer Services noted that HP can request metering information and reports regarding from WP. No requests have been made during the audit period as HP relies on WP's internal controls to comply with the required obligations.</p>	<p>A SLA between HP and WP should be developed to encompass obligation requirements 306 - 309.</p> <p>WP should confirm to HP on a regular basis per the Authority's requirement that:</p> <ul style="list-style-type: none"> ▶ There is a metering installation at every connection point on its network, excluding Type 7 connection points. ▶ All meters meet the requirements specified in the metrology procedure and National Measurement Institute under the National Measurement Act. <p>In addition, WP should provide a report on the:</p> <ul style="list-style-type: none"> ▶ Listing of installations and maintenance of meters over a pre-defined period. ▶ Charges for providing, installing, maintaining and operating meters for customers over a pre-defined period. ▶ Customers with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, that the metering installation meets the relevant accuracy requirements of Type 3 installation as per obligation 314. 	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
<p>317</p> <p>305</p> <p>318</p> <p>336</p>	<p>A network operator must ensure that a metering installation on its network permits collection of data within the timeframes and to the level of availability specified.</p> <p>If a metering installation is required to include a communications link, the link must (where necessary), include a modem and isolation device approved under the relevant telecommunications regulations, to allow the interval energy data to be downloaded in the manner prescribed.</p> <p>A network operator must make repairs to the metering installation in accordance with the applicable service level agreement if an outage or malfunction occurs to a metering installation.</p> <p>Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.</p>	<p>HP relies on WP to provide all metering services. There was no SLA established specifically for metering during the audit period. The Manager Commercial and Customer Services stated that HP is in the process of developing a SLA for metering.</p> <p>There is no formal reporting protocol between the two parties. Hence no KPI, compliance or incident reports have been provided to HP. The Contract Authority, Network Customer Services noted that HP can request metering information and reports regarding from WP. No requests have been made during the audit period as HP relies on WP's internal controls to comply with the required obligations and</p> <p>An outstanding service order report is run by HP on a weekly basis to ensure that jobs are completed on time. The report is reviewed and outstanding items actioned by HP's Network Customer Services.</p> <p>Testing of this control under obligation 318 identified 1 instance of 8 whereby the Service Order Outstanding Report was not generated. This instance related to the week beginning 21 December 2007. We were informed that HP started receiving these reports in December 2007. Initially HP did not receive them frequently from WP but now has the reports sent by WP on a weekly basis.</p>	<p>A SLA between HP and WP should be developed to encompass the obligation requirements 317, 305, 318 and 336.</p> <p>WP should report to HP on the following:</p> <ul style="list-style-type: none"> ▶ Listing of metering installations with a communications link; and confirming modems and isolation devices are approved under the relevant telecommunications regulation. ▶ Repairs to a metering installation over a pre-defined period. ▶ Listing of meters containing an internal real time clock and the results of time drift measured over a pre-defined period. 	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
328	A network operator must ensure that a Type 1 metering installation to Type 5 metering installation on the network has the facilities and functionality prescribed.	<p>HP relies on WP to provide all metering services. There was no SLA established for metering services during the audit period. The Manager Commercial and Customer Services stated that HP is in the process of developing the SLA for metering services with WP.</p> <p>There is no formal documented reporting protocol between the two parties. Hence no KPI, compliance or incident reports have been provided to HP. The Contract Authority, Network Customer Services noted that HP can request metering information and reports regarding from WP. No requests have been made during the audit period as HP relies on WP's internal controls to comply with required obligations.</p>	<p>A SLA between HP and WP should be developed to encompass the requirements of obligation 328.</p> <p>HP should request WP to report on whether Type 1 to Type 5 metering installations on the network have the facilities and functionality prescribed.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
<p>344</p> <p>345</p> <p>361</p>	<p>A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network.</p> <p>A network operator must ensure that its metering database and associated links, circuits, information storage and processing systems are secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorized access and enable unauthorized access to be detected.</p> <p>A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database within the timeframes prescribed.</p>	<p>HP relies on WP to maintain and administer the metering database. There was no SLA established for the key activities relating to the maintenance and administration of the metering database between HP and WP during the audit period.</p> <p>There is no formal reporting protocol between the two parties. Hence no KPI, compliance or incident reports have been provided to HP. The Contract Authority, Network Customer Services noted that HP can request metering information and reports regarding Incidence, compliance and KPIs from WP. No requests have been made during the audit period as HP relies on WP's internal controls to comply with required obligations.</p>	<p>A SLA between HP and WP should be developed to encompass obligation requirements 344, 345 and 361.</p> <p>HP should request WP report on the following:</p> <ul style="list-style-type: none"> ▶ Standing data and energy data for each metering point on its networks; and ▶ Energy data from metering installations and the timeframes in which they were transferred to the metering database. 	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>HP will request reports before the end of October 2008 from WP on standing data and energy data for each metering point on its network and in relation to metering installations.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
346	A network operator must prepare, and if applicable, must implement a disaster recovery plan to ensure that it is able, within 2 business days after the day of any disaster, to rebuild the metering database and provide energy data to Code participants.	There is no documented SLA between HP and WP, the service provider that address this obligation 346.	A SLA between HP and WP should be developed to cover requirements of obligation 346.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA).</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
358	<p>A network operator must retain energy data in its metering database for each metering point on its network:</p> <p>(a) For at least 13 months from the date when the data was obtained – in a readily accessible format; and</p> <p>(b) After that period for at least a further 5 years and 11 months – in a format that is accessible within a reasonable period of time.</p>	<p>HP relies on WP to maintain and administer the metering database. There is no SLA established specifically to address this obligation between HP and WP the audit period.</p> <p>There is also no formal reporting protocol between HP and WP.</p>	<p>A SLA between HP and WP should be developed to cover the requirement of obligation 358.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
366 367 404	<p>A network operator must provide validated, and where necessary, substituted or estimated energy data for a metering point to the user for the metering point and the IMO within the timeframes prescribed.</p> <p>A network operator must provide replacement energy data to the user for the metering point and the IMO within the timeframes prescribed. A network operator that uses a deemed actual value (first value) for energy data for a metering point, and a better quality deemed actual value is available (second value), must replace the first value with the second value if doing so would be consistent with good electricity industry practice.</p>	<p>WP is the administrator and maintains the metering database. It is responsible for providing validated, substituted or estimated energy data to HP customers through the CIS system administered and maintained by Synergy.</p> <p>There was no SLA between the three parties to address compliance with this obligation during the audit period.</p> <p>There is also no reporting protocol between HP and WP.</p>	<p>HP should develop, document and approve the procedures for estimating electricity usage process.</p> <p>A SLA between HP and WP should be developed and state the process of how WP estimates the electricity usage of a customer and the type of data input.</p> <p>A SLA between HP and Synergy should be developed and stipulate that Synergy must print on the customer's bill that the amount billed is for an estimated amount.</p> <p>The SLA should include access to WP's policies and procedures with regards to substitution / replacement / estimation of energy data.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>HP will develop, document and approve the procedures for estimating electricity usage by the end of November 2008.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
385 386 388 410	<p>A network operator must, within 6 months from the date this Code applies to the network operator, develop, in accordance with the communication rules, an energy data verification request form.</p> <p>An Energy Data Verification Request Form must require a Code participant to provide the information prescribed.</p> <p>A network operator must comply with any reasonable request by a Code participant to undertake either a test or an audit of the accuracy of the metering installation or the energy or standing data of the metering installation.</p> <p>If a network operator makes an election for the electricity networks corporation to be its metering data agent in relation to a network, then, except to the extent that the metering data agency agreement provides otherwise, the parties must undertake the activities prescribed.</p>	HP relies on WP to maintain and administer the metering database. There is no SLA established specifically to address this obligation between HP and WP the audit period.	A SLA between HP and WP should be developed to cover the requirement of obligations 385/386/388/410.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA).</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
408	A network operator must ensure the accuracy of estimated energy data in accordance with the methods in its metrology procedure and ensure that any transformation or processing of data preserves its accuracy in accordance with the metrology procedure.	There is no SLA between HP and WP, the service provider that address this obligation 408.	The SLA between HP and WP should stipulate that WP must ensure the accuracy of estimated energy data in accordance with the methods in its metrology procedure.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
343	A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list.	<p>A list of registered metering installation providers are not published on the HP website.</p> <p>There is no process in place to review and approve the metering installation provider list on an annual basis.</p>	<p>HP should review and approve the metering installation provider list on an annual basis. For each metering installation provider, the certificate should be vouched. Procedures should be documented for this process.</p> <p>The list of registered metering installation providers should be published on HP website.</p>	<p>HP will review and approve the metering installation list. The list will then be reviewed and approved on an annual basis.</p> <p>HP will document the procedures for the review of each metering provider and ensure the list is published on the HP website.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008</p>
5. Compliance (Supply, Quality & Reliability)				
440 441	<p>A distributor operating a relevant distribution system must, in specified circumstances make a payment to a customer within a specific timeframe: if a supply interruption exceeds 12 hours.</p> <p>A distributor operating a relevant distribution system must provide eligible customers with information about applying for payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.</p>	<p>Testing identified 3 of 25 instances where payments were not made to customers within 30 days of the receipt of a claim as specified by the obligation.</p> <p>The existing customer service charter does not refer to the obligation for HP to make an \$80 payment for supply interruption exceeding 12 hours.</p>	<p>HP should make payments to customers who are entitled a payment within the specified timeframe of 30 days.</p> <p>In addition the customer charter should be reviewed and updated to ensure obligations 440 and 441 are included.</p>	<p>HP will review existing processes to ensure payments are made within 30 days.</p> <p>The Customer Charter to be reviewed to ensure obligations 440 and 441 are included and specified.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: September 2008</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
445	A distributor or transmitter must keep records of information regarding its compliance with specific requirements for the period specified.	<p>HP is currently using the State Record retention and disposal schedule for HR, Admin and Finance. HP uses WP's retention and disposal schedules.</p> <p>The Knowledge Management Officer has advised us that they will develop their own retention and disposal schedule after the upgrade of their Document Management System ("DMS") that will take place at the beginning of next year.</p>	HP should develop a set of retention and disposal schedules upon upgrade of the DMS and ensure that existing documentation is retained for the appropriate timescales per 23(2) of the Network Quality and Reliability code.	<p>March '09 for new DMS</p> <p>June 09 to develop retention and disposal schedules.</p> <p>We will ensure documentation is retained in accordance with the Network Quality and Reliability code.</p> <p>Responsible Person: Margaret Lawrence, Knowledge management Coordinator</p> <p>Timing: March 2009 (new DMS) and June 2009 (schedules)</p>
281 282	<p>A distributor must keep a record of the total number of customer connections established and customer connections not established within the period prescribed by the Code of Conduct or by the agreed date with the customer.</p> <p>A distributor must keep a record of the street light faults and repair indicators specified.</p>	<p>HP does not keep records for:</p> <p>(a) The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct or agreed with the customer; and</p> <p>(b) Street light fault repair indicators specified.</p> <p>HP may request the information from WP when required.</p>	<p>HP should obtain information from WP to create and retain records at HP for:</p> <ul style="list-style-type: none"> ▶ The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct; and ▶ Street light fault repair indicators. 	<p>HP will obtain the following information from WP on a regular basis:</p> <ul style="list-style-type: none"> ▶ The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct; and ▶ Street light fault repair indicators. <p>HP will review the information and take actions as appropriate. HP will undertake this action immediately.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
5. Compliance (Customer Service)				
72	A distributor must attach or connect premises to a distribution system if a retailer or customer takes certain action and the circumstances in regulation 5(1) of the Electricity Industry (Obligation to Connect) Regulations exist.	Policies and procedures do not exist for the requirements under obligation 72, specifically connecting premises to a distribution system under circumstances in regulation 5(1) of the Electricity Industry - Obligation to Connect.	Policies and procedures should be developed, reviewed and approved in relation to the requirements under obligation 72.	<p>The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document HP compliance with obligation 72.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p>
73 74	<p>A distributor that is obliged to attach or connect premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must extend the distribution system to a suitable connection point.</p> <p>The capacity and standard of an extension must be adequate for the supply required and in accordance with accepted good industry practice as it would be applied by a prudent distributor.</p>	The Network Connection and Extension Manual, which sits as a draft and has not been approved.	The Network connection and Extension Manual should be approved.	<p>The Network Connection and Extension manual is to be completed by end '08</p> <p>Responsible Person: David Martin, General Manager: People and Corporate Services</p> <p>Timing: December 2008</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
75	<p>A distributor that is obliged to attach or connect premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must do so within a defined timeframe.</p> <p>Customers are to be connected under the following time limit:</p> <ul style="list-style-type: none"> (a) the end of the 20th business day after the time when the obligation arises; or (b) any later time to which the customer agrees in writing. 	<p>Policies and procedures do not exist to document the requirements under clause 75.</p> <p>Testing identified one instance where connection was not performed until the 42nd day since the date of application. There was no evidence of a written agreement with the customer to connect on a future specific date.</p>	<p>Customers should be connected within the specified timeframe stipulated under clause 75.</p> <p>If a connection can not be made by the end of the 20th business day, customer should agree in writing for a future date for connection.</p>	<p>The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document HP compliance with obligation 75.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p>
76	<p>A distributor must energise premises in certain prescribed circumstances.</p>	<p>Policies and procedures do not exist to document the circumstances in which premises need to be energised.</p>	<p>HP should document policies and procedures that specify obligation 76.</p>	<p>The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document HP compliance with obligation 75.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
77	<p>A distributor that is obliged to energise premises must do so within a defined timetable. The time limit under this subregulation is:</p> <p>(a) Metropolitan area-</p> <p>(i) the end of the first business day after the day on which the application is received if it is received before 3 p.m on a business day;</p> <p>(ii) the end of the second business day after the day on which the application is received if it is received on a business day , but not before 3p.m, or on a day that is not a business day</p> <p>(b) Not within the metropolitan area-</p> <p>(i) the end of the fifth business day after the day on which the application if it is received before 3p.m on a business day;</p> <p>(ii) the end of the sixth business day after the day on which the application is received if it is received on a business day, but not before 3p.m, or on a day that is not a business day.</p>	<p>Policies and procedures do not exist to document the requirements under clause 77.</p> <p>Testing identified one instance where energisation was not completed within one business day after the day of which the application was received. No supporting evidence or reason for late energisation was available.</p> <p>HP was not able to provide energisation data from 1 April 2006 - 31 December 2006.</p>	<p>HP should document policies and procedures that clearly specify obligation 77.</p> <p>Energisation should be completed within the timeframe stipulated under clause 77. If not, supporting evidence that the customer was contacted or reason for late energisation should be documented.</p> <p>Data regarding energisation of customers should be retained for completeness, audit procedures and future reference.</p>	<p>The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document HP compliance with obligation 75.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
216 217 215 218	<p>A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.</p> <p>A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.</p> <p>A distributor who disconnects a customer's supply address for emergency reasons must provide a 24 hour emergency line and use its best endeavours to restore supply as soon as possible.</p> <p>A distributor must undertake the actions specified in circumstances where the distributor has been informed by a retailer or a relevant government agency that a person residing at a customer's supply address requires life support equipment.</p>	<p>HP does not have policies or procedures regarding the disconnection of customers on life support equipment as this function are undertaken by the service provider, Synergy.</p> <p>HP does not receive compliance reports from Synergy in relation to these obligations.</p>	<p>HP should obtain a copy of Synergy procedures for customers on life support equipment to ensure they comply with the requirements under obligations 216 - 218.</p> <p>HP should request information from Synergy on a regular and timely basis to ensure HP is complying with the requirements of the obligations and that Synergy is applying the policy to the customer premises with life support equipment. In addition, HP should develop a process to ensure that a copy of the data held by Synergy is transferred on a timely and complete basis to HP for analysis and review.</p>	<p>HP has obtained a copy of Synergy procedures for customers on life support equipment to ensure they comply with the requirements under obligations 216 - 218.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p> <p>Going forward, HP will request information from Synergy each month to confirm HP compliance with obligations that fall under the day to day operational control of Synergy.</p> <p>In addition, HP will request copies of data (either in excel or another format) that relates to these license conditions for analysis and review. Action will be taken as appropriate following review of the data.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December 2008</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
221	A distributor must reconnect the customer's supply address upon the request of a retailer, within the timeframes specified.	HP does not receive compliance reporting with regards to this obligation from either Synergy or WP.	HP should request reporting of the customers who were not connected within the timeframes stipulated in the code on a pre-determined interim basis.	<p>Horizon Power receives a weekly Outstanding Service Order Report from Western Power. This report shows service orders that were not completed within the timeframes as stipulated in obligation requirement 221. The report will be used to measure compliance with action taken as appropriate to ensure reconnection takes place in the timeframes specified.</p> <p>Horizon Power has hired an independent consultant to review this report for accuracy and completeness. Results expected by end Sept 2008.</p> <p>Responsible Person: Frank Buttigieg, Regulation Compliance Coordinator Timing: end Sept 2008.</p>
249 250 251 252	<p>A distributor must, on request, give a customer its consumption data.</p> <p>A distributor must give a customer the requested consumption data at no charge in the circumstances specified.</p> <p>A distributor must give a customer the requested consumption data within 10 business days of the receipt of the request or payment of the distributor's reasonable charge for providing the consumption data.</p> <p>A distributor must keep a customer's consumption data for seven years.</p>	<p>Requests for consumption data from customers are usually made through the Synergy call centre or through the Retail Manager Pricing Systems and Operations.</p> <p>The policies and procedures with regards to the provision and retention of customers' consumption data are not documented by HP.</p> <p>There is no SLA established between HP and Synergy referring to these obligations.</p>	<p>The following obligations should be stipulated in HP's procedures:</p> <ul style="list-style-type: none"> ▶ A distributor must on request give a customer its consumption data at no charge in the circumstances specified; ▶ A distributor must give a customer the requested consumption data within 10 business days of the receipt of the request. ▶ A distributor must keep a customer's consumption data for seven years. <p>An SLA between Synergy and HP should be developed to encompass the requirements of obligations 249 - 252.</p>	<p>Included in Synergy SLA under Customer contact handling.</p> <p>Data kept in all systems for required timeframes.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed since audit</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
248 256 253 254 419	<p>A distributor must give a customer on request, at no charge, the specified information that is particular to a distributor.</p> <p>A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Code of Conduct.</p> <p>A distributor must, on request, tell a customer how the customer can obtain information on distribution standards and metering arrangements that are relevant to the customer.</p> <p>A distributor must publish information on distribution standards and metering arrangements on the distributor's website.</p> <p>A network operator must notify each Code participant of its initial contact details and of any change to its contact details at least 3 business days before the change takes effect.</p>	<p>Customers' requests are handled by the Customer Service Representatives (CSR) at Synergy. Although Synergy provides performance reporting to HP, the reports do not provide information with regards to its performance in handling customers' requests.</p> <p>The distributions standards are currently not published on the HP Website. The Technical Manager Networks stated that HP has the intention to hyperlink its website to the Australian Standard Document on the Electricity Association of Australia website that publishes the national distribution standards.</p> <p>There are no formal documented procedures with regards to the notification of changes.</p>	<p>HP should publish information on distribution standards on the HP website.</p> <p>In addition, procedures should be documented to stipulate the process undertaken for a change in contact details.</p> <p>HP should request performance reports from Synergy that provide information about its performance in handling customer's request.</p>	<p>Horizon Power to review Synergy reports.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs.</p> <p>Horizon Power to document procedures to stipulate the process undertaken for a change in contact details</p> <p>HP will request performance reports from Synergy that provide information about its performance in handling customer's request.</p> <p>The distribution standard and metering arrangements will be immediately published on the HP website.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: end December '08</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
267 296 272 301 302 273	<p>A distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.</p> <p>A distributor must acknowledge and respond to a written query or complaint by an eligible customer within timeframe specified.</p> <p>A distributor, who receives a complaint that does not relate to its functions, must refer the complaint to the appropriate entity and inform the customer of the referral.</p> <p>A distributor must keep a record of each complaint and provide information regarding the complaint to the Authority or electricity ombudsman upon request.</p> <p>A distributor must keep records of complaints and dispute resolution for at least three years after the date on which the complaint was resolved.</p> <p>A distributor must keep a record or other information as required to be kept by the Code of Conduct for at least two years from the last date on which the information was recorded, unless expressly provided otherwise.</p>	<p>Sample testing identified the following:</p> <ul style="list-style-type: none"> ▶ One instance out of ten whereby the customer was not acknowledged within the specified ten working days. ▶ For six instances, we were unable confirm if the acknowledgement of complaint were made within the specified ten working days as the dates of complaints were not lodged in the complaint register prior to 2008. This has now been rectified, as dates have been recorded in the complaints register in 2008. ▶ Two instances out of ten samples indicated that the complaints were not resolved within 20 business days after the acknowledgement. <p>The HP complaints policy does not include policies and procedures relating to the required obligation.</p>	<p>HP should continue to document the date in which customers complaints are acknowledged. HP should respond to customer complaints within 10 working days.</p> <p>HP should resolve complaints within 30 days from the date of receipt of complaint. If this is not possible, the reason should be documented.</p> <p>The HP complaints policy should document the required procedures specific to obligations 267, 269, 272 & 273.</p>	<p>Horizon Power internal auditors to review and recommend improvements.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p>
427	<p>If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.</p>	<p>The HP complaints policy does not include policies and procedures relating to the required obligations.</p>	<p>The HP complaints policy should be updated to incorporate the dispute handling and escalation process as required by obligation 427.</p>	<p>Complaints Policy to be completed by end Sept '08</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: September 2008</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
5. Compliance (Retail)				
218	A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.	The current process relating to this obligation resides with the service provider, Synergy. HP currently has no record or access to Synergy's policies and procedures to confirm compliance with the obligation.	A copy of the Synergy procedures on life support equipment should be obtained, reviewed and retained at HP. HP should review the procedures to ensure that it meets the requirements of the relevant clauses and obligations.	<p>HP has obtained a copy of Synergy procedures for customers on life support equipment to ensure they comply with the requirements under obligations 216 - 218.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed recently</p>
227 228	<p>A retailer must not operate a pre-payment meter at the supply address of a residential customer if the residential customer, or a person residing at the residential customer's supply address, requires life support equipment.</p> <p>If a prepayment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must undertake the actions specified.</p>	<p>The current process relating to these obligations resides with the service provider, Synergy.</p> <p>The installation of pre-payment meters is undertaken by HP where a check is made to ensure customers are not currently on life support equipment and the installation is signed off by the responsible person.</p> <p>Once a meter is in place, Synergy provides customer services for the customer on behalf of HP. It is not clear whether Synergy has procedures in place for prepayment customers that require life support equipment.</p> <p>HP currently has no record or access to Synergy's policies and procedures.</p>	<p>A copy of the Synergy procedures on prepayment meters should be obtained, reviewed and retained at HP. HP should review the procedures to ensure that it meets the requirements of the relevant clauses and obligations.</p> <p>HP should request information from Synergy on a regular and timely basis to ensure HP is complying with the requirements of obligations 227 & 228.</p>	<p>Horizon Power will obtain a copy of Synergy's procedures on prepayment meters to address those in place in remote areas. These will be reviewed to ensure they meet the requirements of clauses 227 and 228.</p> <p>Going forward, HP will request information from Synergy each month to confirm HP compliance with obligations that fall under the day to day operational control of Synergy.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: September 2008</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
139	A retailer must comply with the National Privacy Principles as set out in the Privacy Act 1998 in relation to information collected under Part 2 of the Code of Conduct.	<p>The current process relating to this obligation resides with the service provider, Synergy. HP currently has no record or access to Synergy's policies and procedures.</p> <p>We were informed by the Manager Pricing and Analysis that the Call Centre Representatives in Synergy are trained in the Privacy Act which is covered in the induction training. Synergy has informed HP that the Team Leader in the call centre at Synergy monitors telephone conversation with customers to ensure compliance.</p> <p>The SLA between Synergy and HP does not refer to the obligation relating to the Privacy Act.</p>	A SLA should be developed, agreed and approved between Synergy and HP to stipulate the obligations relating to the Privacy Act.	<p>Agreement to be sought with Synergy outlining obligations relating to the Privacy Act. To be completed by end Sept '08</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: September 2008</p>
142 150	<p>A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist.</p> <p>A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.</p>	HP does not receive reports from Synergy in relation to late billings to customers.	HP should introduce receiving reports from Synergy detailing the number of customers that have been billed late.	<p>Reports to be obtained monthly. Action will be taken as necessary to address any issues identified within the reports.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p>
157 158 159	<p>A retailer must specify the stated information in circumstances where the customer's bill is estimated.</p> <p>A retailer must tell a customer, on request, the basis and reason for the estimation.</p> <p>Where the retailer gives a customer an estimated bill and the meter is subsequently read the retailer must include an adjustment on the next bill to take account of the actual meter reading.</p>	<p>The current processes relating to this obligation resides with the service provider, Synergy.</p> <p>HP does not receive reports from Synergy on:</p> <ul style="list-style-type: none"> ▶ Estimated billings made over a pre-defined period; and ▶ Amount of subsequent adjustments made over a pre-defined period. 	<p>HP should obtain the following reports from Synergy:</p> <ul style="list-style-type: none"> ▶ Estimated billings made over a pre-defined period; and ▶ Amount of adjustments made over a pre-defined period. 	<p>Reports to be obtained monthly. Action will be taken as necessary to address any issues identified within the reports</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p>

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
161 162	<p>A retailer must request the distributor or metering agent to test the meter if a customer requests the meter to be tested and pays any reasonable charge of the retailer for testing the meter.</p> <p>If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.</p>	<p>The current processes relating to these obligations reside with two service providers, Synergy and WP. Synergy receives requests from customers and liaises with WP which performs the testing.</p> <p>HP do not receive reports from either Synergy or WP on:</p> <ul style="list-style-type: none"> ▶ Number of meters tested over a pre-defined period; ▶ Charges for testing meters over a pre-defined period; and ▶ Refunds made to the customer for defective meters. ▶ 	<p>HP should introduce receiving reports relating to the licence obligations:</p> <ul style="list-style-type: none"> ▶ Number of meters tested over a pre-defined period; ▶ Charges for testing meters over a pre-defined period; and ▶ Refunds made to the customer for defective meters. 	<p>Reports to be obtained monthly. Action will be taken as necessary to address any issues identified within the reports</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p>
168	A retailer must repay the customer any amount in credit at the time of account closure.	The current process relating to this obligation resides with the service provider, Synergy. There are no reporting protocols from Synergy to HP relating to credits issued to customers.	HP should introduce receiving reports relating to the licence obligation.	<p>Reports to be obtained monthly. Action will be taken as necessary to address any issues identified within the reports</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Completed</p>
176	The due date on the bill must be at least 12 business days from the date of the bill, with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.	The current billing and collection policies or procedures document does not make reference to the due date for bills issued to customers.	The HP billings policy should stipulate the requirement that the due date on a bill must be at least 12 business days from the date of the bill with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.	<p>The HP billings policy to be reviewed to ensure it stipulates the requirement that the due date on a bill must be at least 12 business days from the date of the bill with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: End '08.</p>
178	A retailer must comply with the Electronic	HP does not have documented policy to	HP should formalise their policy for compliance	Horizon Power to review Synergy

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	Funds Transfer Code of Conduct in making an electronic payment.	<p>ensure compliance with the EFT code of conduct.</p> <p>We understand that Synergy is also involved in providing services relating to funds transfer. There is no reporting protocol between Synergy and HP regarding compliance with the EFT code of conduct. The existing SLA does not refer to the required obligation.</p>	<p>with obligation 178.</p> <p>A SLA between Synergy and HP should be developed to encompass the requirements of obligation 178.</p> <p>HP should introduce receiving reports relating to compliance with the EFT Code of Conduct in making an electronic payment.</p>	<p>reports.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs. Horizon Power to document procedures to stipulate the process undertaken to comply with EFT code of conduct.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing :December 2008</p>
185 186 187	<p>A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.</p> <p>A retailer must not require a customer who was evicted or otherwise required to vacate a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.</p> <p>A retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified.</p>	<p>The SLA between HP and Synergy and HP billings and collection policies and procedures do not make references to the obligation requirements relating to 185 to 187.</p> <p>HP does not maintain an incident log.</p>	<p>The HP Billing and Collection policy should document the required procedures specific to obligations 185-187.</p> <p>A SLA between Synergy and HP should be developed to encompass the obligation requirements of obligation 185 - 187.</p> <p>HP should develop an incident log to keep track of all breaches and any nil incidents.</p>	<p>The HP Billing and Collection policy will document the required procedures specific to obligations 185-187.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs.</p> <p>Horizon Power to document procedures to stipulate an incident log be kept.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December 2008</p>
188	A retailer must comply with the Conduct	HP billing and collection policies do not refer	The HP Billing and Collection policy should	The HP Billing and Collection policy

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission.	to the guidelines on debt collection issued by the Australian Competition and Consumer Commission.	document the required procedures specific to obligations 188.	will document the required procedures specific to obligations 188. We note the Hardship policy is on the HP website. Responsible Person: Alana Davies, Shared Services Manager Timing: Completed
189 190 191	<p>A retailer must not commence proceedings for recovery of a debt in the circumstances specified.</p> <p>A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of electricity to that supply address.</p> <p>A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within three business days from when the residential customer informs a retailer that they are experiencing payment problems.</p>	<p>The SLA with Synergy does not refer to the required obligations relating to 189 to 191.</p> <p>Furthermore, there is no reporting compliance and/or incident reporting between Synergy and HP.</p>	<p>A SLA between Synergy and HP should be developed to encompass the requirements of obligations 189 to 191.</p> <p>HP should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy reports.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligations 189 to 191.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December '08</p>
197	A retailer must offer the alternative payment arrangements, and advise the residential	The SLA with Synergy does not refer to the required obligations relating to 197 to 199.	A SLA between Synergy and HP should be developed to cover the requirements of obligations	Reports to be obtained monthly. Actions will be taken as appropriate to

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
198	customers that additional assistance may be available, in circumstances where a residential customer is assessed as experiencing payment difficulties or financial hardship.	Furthermore, there is no reporting compliance and/or incident reporting between Synergy and HP.	197 to 199. HP should request receiving reports from Synergy relating to the licence obligation.	address issues identified from the review of the reports. Responsible Person: Alana Davies, Shared Services Manager Timing: Completed
199	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the specified payment arrangements. A retailer must take into account and specify the stated information and take the specified actions when offering an instalment plan to a residential customer experiencing payment difficulties or financial hardship.			
206	A retailer must develop a hardship policy to assist customers in meeting their financial obligations and responsibilities to the retailer.			
207	A retailer must ensure that the hardship policy complies with the specified criteria.	HP does not comply with obligation 209. The Manager Retail Systems and Operations stated that the hardship policy was established by Synergy around the time of disaggregation. HP does not retain a copy of the document. Retail is unaware of the following details: <ul style="list-style-type: none"> ▶ The relevant customer representative organisations consulted on the contents of the hardship policy; ▶ The date the hardship policy was established; ▶ The date the hardship policy was reviewed; and ▶ The dates the hardship policy was amended. 	HP should be informed by Synergy on key dates and details relating to the hardship policy including the: <ul style="list-style-type: none"> ▶ Relevant customer representative organisations consulted on the contents of the hardship policy; ▶ Date the hardship policy was established; ▶ Date the hardship policy was reviewed; and ▶ Dates the hardship policy was amended. 	The Policy is stored in the Document Management System ("DMS"). Responsible Person: Alana Davies, Shared Services Manager Timing: Completed HP will review the content of the Hardship policy with Synergy to ensure it is compliant with the requirements of obligation 206-209. HP will amend and adopt the policy as appropriate. The policy will be reviewed each year to ensure it meets the requirements of the obligations. Responsible Person: Alana Davies, Shared Services Manager Timing: December 2008
208	A retailer must give a customer, financial counsellor or relevant consumer representative organization, on request, details of the financial hardship policy, at no charge.			
209	A retailer must keep a record of the specified information related to the hardship policy.			
210	A retailer must consider any reasonable request for alternative payment arrangements	The SLA between Synergy and HP does not detail the obligation relating to 210.	A SLA between Synergy and HP should be developed to cover obligation requirement 210.	Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	from a business customer who is experiencing payment difficulties.	<p>HP Billings and Collection policies and procedures do not clearly specify the requirements of obligation 210.</p> <p>Furthermore, no reporting exists between Synergy and HP.</p>	<p>The HP Billing and Collection policy should document the procedures specific to obligation requirement 210.</p> <p>HP should introduce receiving reports relating to the licence obligation.</p>	<p>compliance with obligation 210.</p> <p>The Billing and Collection policy will be updated to document the requirements of obligation 210. The updated version will be approved and communicated to relevant staff.</p> <p>HP will introduce receiving reports as required per the license.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December 2008</p>
211 212 214	<p>A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address.</p> <p>A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified.</p> <p>A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified are satisfied.</p>	<p>HP does not have a policy in terms of compliance with obligations 211, 212 and 214.</p> <p>The SLA between Synergy and HP does not detail the obligations relating to 211, 212 and 214.</p> <p>Furthermore, no reporting exists between Synergy and HP.</p>	<p>HP should formalise policies and procedures that relate to obligations 211, 212 and 214.</p> <p>A SLA between Synergy and HP should be developed to encompass the requirements of obligations 211, 212, and 214.</p> <p>HP should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy reports.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligations 211, 212 and 214.</p> <p>HP will introduce receiving reports as required per the license. HP will formalise policies and procedures as appropriate that relate to obligations 211, 212 and 214.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December 2008</p>
219	A retailer must arrange for reconnection of the customer's supply address if the customer	HP does not have a policy in terms of compliance with obligations relating to 219	HP should formalise policies and procedures that relate to obligations 219 and 220.	Horizon Power to review Synergy reports.

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
220	<p>has remedied its breach, makes a request for reconnection, pays the retailer's reasonable charges (if any) or accepts an offer of an instalment plan for the retailer.</p> <p>A retailer must forward the request for reconnection to the relevant distributor within the timeframe specified.</p>	<p>and 220.</p> <p>The SLA between Synergy and HP does not detail the obligations relating to 219 and 220.</p> <p>Furthermore, no reporting exists between Synergy and HP.</p>	<p>A SLA between Synergy and HP should be developed to encompass the requirements of obligations 219 and 220.</p> <p>HP should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligations 219 and 220.</p> <p>HP will introduce receiving reports as required per the licence. Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December 2008</p>
224 225 226	<p>A retailer must not operate a pre-payment meter at a residential customer's supply address without the verifiable consent of the customer or its nominated representative.</p> <p>A retailer must establish an account for each pre-payment meter operating at a residential customer's supply address.</p> <p>A retailer must provide the prescribed information to a pre-payment meter customer in the manner stated at no charge.</p>	<p>HP does not have a policy in terms of compliance with obligations 224 to 226.</p> <p>The SLA between Synergy and HP does not detail the obligations relating to 224 to- 226.</p> <p>Furthermore, no reporting exists between Synergy and HP.</p>	<p>HP should formalise policies and procedures that relate to obligations 224,225 and 226.</p> <p>A SLA between Synergy and HP should be developed to encompass the requirements of obligations 224,225 and 226.</p> <p>HP should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy reports.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligations 224,225 and 226.</p> <p>HP will then formalise policies and procedures in relation to obligations 224,225 and 226.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December 2008</p>
291	A retailer must pay the stated compensation to a customer where the customer is not reconnected in the manner specified and an	The complaints register did not provide detailed comments on how complaints were resolved prior to January 2008. We were	HP should introduce receiving reports listing compensation made for late connections.	Reports to be obtained monthly, reviewed and action taken as

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	exception to payment does not apply.	<p>therefore unable to confirm if any other reconnection compensation payments were made prior to January 2008.</p> <p>HP does not receive reports from Synergy on the amount of compensations made for late reconnections.</p>	<p>HP should request confirmation from Synergy that there is a robust process in place to identify customers who are entitled to reconnection and disconnection compensations</p>	<p>appropriate.</p> <p>We will request confirmation from Synergy each month that the compensations process is effective and operating in a robust manner.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Action already taken, therefore completed</p>
293	A retailer must pay the stated compensation to a customer where the retailer has failed to follow any of the specified procedures prior to disconnection for a failure to pay and an exception to payment does not apply.	<p>The complaints register did not provide detailed comments on how complaints were resolved prior to January 2008. We were therefore unable to confirm if any other disconnection compensation payments were made prior to January 2008.</p> <p>HP does not receive reports from Synergy on the amount of compensations made for wrongful disconnections.</p>	<p>HP should request a monthly report from Synergy on the amount of compensation made for wrongful disconnections.</p> <p>HP should update the complaints register with information regarding the resolution of complaints.</p>	<p>Reports to be obtained monthly, reviewed and action taken as appropriate.</p> <p>Horizon Power will update the complaints register with information regarding the resolution of complaints.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: Action already taken therefore completed</p>

5. Compliance (Non Reportable Obligations)

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
155 167	<p>A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills and, in any event, at least once every twelve months in accordance with clause 4.6(1)(a) of the Code of Conduct.</p> <p>A retailer must use reasonable endeavors to arrange for a final bill if a customer requests the retailer to issue a final bill at the customer's supply address.</p>	<p>The meter reading service is performed by WP. The SLA between Synergy and HP does not refer to the requirements of obligation 155 and 167.</p> <p>HP relies on WP to perform the meter reading which subsequently led to billing, a service performed by Synergy. It does not receive any compliance reports relating to this obligation.</p>	HP should update the SLA to clearly specify the requirement of obligations 155 and 167.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>
433	A distributor or transmitter must consider whether, in specified circumstances, it should	There are no documented policies and procedures in relation to providing a	HP should document procedures for the process undertaken to provide a customer with alternative	Horizon Power to Document procedures and save them in the

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	supply electricity by alternative means to a customer who will be affected by a proposed interruption.	customer with alternative electricity supply means affected by a proposed interruption.	electricity supply.	Document Management system (DMS). These will be reviewed annually and update as appropriate. Responsible Person: Scott Beckwith, Manager Business Operations South and Brett Hovingh, Manager Business Operations North Timing: end '08/'09
92	For a metering installation used to supply a customer with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, the metering installation must meet the relevant accuracy requirements of Type 3 metering installation.	There is no extension and expansion policy for Generation. In addition, the Network extension and expansion policy is still in draft form.	HP should document and approve the Generation and Network extension and expansion policies.	HP to develop and approve the Generation and Network extension and expansion policies. Responsible Person: Alana Davies, Shared Services Manager Timing: Completed
192	A retailer must give reasonable consideration to the information and advice specified when undertaking an assessment regarding payment difficulties or financial hardship.	HP does not receive reports from Synergy on customers undergoing payment difficulties or financial hardship and any assessment or decision that might have been made by Synergy.	HP should obtain a list from Synergy of HP customers undergoing payment difficulties or financial hardship on a pre-determined interim basis.	Reports to be obtained monthly and reviewed by Horizon Management. Responsible Person: Alana Davies, Shared Services Manager Timing: Completed
362	A network operator must, for each accumulation meter on its network, use	HP relies on WP to undertake the meter reading. The SLA with WP does not refer to	A SLA between HP and WP should be developed to encompass the requirement of obligation 362.	A register of the key licence obligations that are impacted by the

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	reasonable endeavours to undertake a meter reading that provides an actual value at least once in any 12 month period.	this obligation.		<p>Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>
417	A network operator must amend any document in accordance with the Authority's	Horizon Power does not have procedures or a register to record and process directions	HP should implement a register to maintain all directions received by the Authority. Additionally,	HP is implementing a new computer system, CURA. Part of its functionality

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	final findings.	received by the Authority.	a policy should be created to document the process of responding to directions provided by the Authority.	<p>is to provide a register to maintain all directions received by the Authority. Additionally, a policy will be created to document the process of responding to directions provided by the Authority, and this will be managed in CURA.</p> <p>Responsible Person: Frank Buttigieg, Regulation Compliance Coordinator</p> <p>Timing: End 08/09</p>
426	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.	Review of the Complaints Policy 31/01/08 identified that the dispute handling escalation process is not documented.	The dispute handling process should be documented in HP's complaints policy.	<p>Horizon Power to review and update HP's complaints policy.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December 2008</p>
430	A distributor or transmitter must, so far as reasonably practicable, disconnect the supply	The SLA with Synergy and HP's policies and procedures do not refer to this obligation.	A SLA between HP and WP should be developed to encompass the requirement of obligation 430.	A register of the key licence obligations that are impacted by the

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	of electricity to installations or property in specified circumstances, unless it is in the interest of the customer to maintain the supply.	There is no compliance/incident reporting provided by Synergy to HP relating to this obligation.		<p>Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform HP's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Responsible Person: Andrew Christopher, Manager Commercial & Customer Services.</p> <p>Timing: December 2008 (draft register) and June 2009 (metering SLA)</p>
14. Amending the Standard Form Contract				
14.1	The licensee may only amend the standard	Although there have been no amendments	Documented and approved procedures should be	Horizon Power to Document

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
14.2	<p>form contract with the Authority's approval.</p> <p>The licensee may amend the standard form contract at any time by submitting to the Authority:</p> <p>(a) A proposed amendment to the standard form contract; or</p> <p>(b) A proposed substituted standard form contract.</p>	made to the standard form contract during the audit period, there are currently no documented procedures for amendments to the standard form contract.	developed for amendments of the standard form contract. These should reflect the requirements outlined within Clause 14 'Amending the Standard Form Contract' of the Integrated Regional Licence (EIRL2).	<p>procedures and save in dms.</p> <p>Review annually.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December 2008</p>
15. Customer Service Charter				
15.2 15.3 15.4	<p>The licensee must, unless otherwise notified in writing by the Authority, review the customer service charter at least once every 36 months from the grant of the licence and submit to the Authority the results of that review within 5 business days after it is completed.</p> <p>The licensee may, at any time, review the customer service charter and submit to the Authority the results of that review within 5 business days after it is completed.</p> <p>Any review of the customer service charter must have regard to the review guidelines.</p>	HP has not reviewed its customer service charter during the audit period. The review is due next year, thirty six months after the grant of its licence. There are currently no policies or procedures established for the review or amendment of the Customer Service Charter.	We recommend that HP develop and approve policies and procedures to cover the process for reviewing, updating and approving changes made to the Customer Service Charter.	<p>Horizon Power to Document procedures and save in dms.</p> <p>Review annually.</p> <p>Responsible Person: Alana Davies, Shared Services Manager</p> <p>Timing: December 2008</p>
16. Amending the Customer Service Charter				
16.1	The licensee may amend the customer service	HP has not amended or substituted its	We recommend that HP develop policies and	Horizon Power will document and

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	charter at any time by submitting to the Authority: (a) an amendment to the customer service charter; or (b) a substituted customer service charter.	customer service charter during the audit period. There are currently no policies or procedures established for the review or amendment of the Customer Service Charter.	procedures for amending the Customer Service charter.	approve the policy and procedures and save in DMS. These will be reviewed each year and updated as appropriate. Responsible Person: Alana Davies, Shared Services Manager Timing: December 2008
17. Supplier of Last Resort				
17.1	If the licensee is designated a supplier of last resort under the Act, the licensee must perform the functions of the supplier of last resort.	No policies or procedures have been established for the functions of the supplier of last resort.	HP should develop policies and procedures detailing the functions of the supplier of last resort.	Horizon Power will document and approve the policy and procedures and save in DMS. These will be reviewed each year and updated as appropriate. Responsible Person: Alana Davies, Shared Services Manager Timing: December 2008
18. Directions of the Authority				
18.1	The licensee must comply with any direction given by the Authority pursuant to section 53	HP does not have a system or register in place to handle, record, manage and monitor	HP should develop a register to record and maintain all directions received by the Authority.	HP is implementing a new computer system, CURA. Part of its functionality

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	of the Act.	directions provided by the Authority.	In addition, a policy should be created for responding to directions provided by the Authority.	<p>is to provide a register to maintain all directions received by the Authority. Additionally, a policy will be created to document the process of responding to directions provided by the Authority, and this will be managed in CURA.</p> <p>Timing: End 08/09</p> <p>Responsible Person: Frank Buttigieg, Regulation Compliance Coordinator</p>
19. Approved Scheme				
19.1	<p>The licensee must not supply electricity to small use customers unless the licensee is:</p> <p>(a) a member of an approved scheme; and (b) bound by, and compliant with, any decision or direction of the electricity ombudsman under the approved scheme.</p>	HP does not have a system or register in place to handle, record, manage and monitor directions provided by the Electricity Ombudsman.	<p>HP should develop a register to record and maintain all directions received by the Authority.</p> <p>In addition, a policy should be created for responding to directions provided by the Electricity Ombudsman.</p>	<p>Horizon Power will develop a register and document procedures for its maintenance, update and review. These procedures will be saved in the DMS system.</p> <p>These will be reviewed on an annual basis.</p> <p>Timing: End 08/09</p> <p>Responsible Person: Frank Buttigieg, Regulation Compliance Coordinator</p>
20. Renewable Source Electricity Contract				
20.1	The licensee must submit to the coordinator a draft renewable source electricity contract by	HP has not submitted a draft renewable source electricity contract to the coordinator.	Horizon Power should draft and submit the contract to the coordinator for approval and	HP will develop a draft contract and have this appropriately approved. The

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	the time specified in the Act or by the Authority.	HP currently relies on the current standard form contract and intends to develop one in the future.	implement the use of the Renewable Source Electricity Contract.	contract will be reviewed on an annual basis. Responsible Person: Grant Stacy, Network asset Manager Timing: December 2008
21. Renewable Source Electricity				
21.1 21.2 21.3	<p>The licensee must offer to purchase renewable source electricity from a renewable source electricity customer who wishes to sell electricity to the licensee.</p> <p>The offer to purchase electricity in clause 21.1 must be in the form of a renewable source electricity contract approved by the Coordinator in accordance with clause 20.</p> <p>The licensee must submit to the Coordinator a written report detailing:</p> <ul style="list-style-type: none"> (a) the amount of renewable source electricity purchased by the licensee; and (b) the cost of purchasing that renewable source electricity, (c) as soon as practicable at the end of each financial year. 	HP is not using a specific contract for renewable source customers. A contract for renewable source customers has been developed but has not been submitted to the Coordinator for approval.	HP should submit to the Coordinator for approval the draft renewable source electricity contract for use with its renewable source electricity customers.	<p>Develop draft contract</p> <p>Seek approval</p> <p>Responsible Person: Grant Stacy, Network asset Manager</p> <p>Timing: December 2008</p>
24. Accounting Records				
24.1	The licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards	HP does not have a documented accounting manual that includes references to Australian Accounting Standards or equivalent	HP should develop and document an accounting manual that includes references to the applicable accounting standards.	HP to develop and document an accounting manual that includes references to the applicable

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	Board Standards or equivalent International Accounting Standards.	International Accounting Standards. Currently, HP relies on WP's Accounting Manual.		accounting standards. Manual to get reviewed and board approval Responsible Person: Amelia Yam, Manager Finance Timing: June 2009
28. Reporting				
28.1	The licensee must report to the Authority: (a) if the licensee is under external administration as defined by the Corporations Act 2001 (Cth) within 2 business days; or (b) if the licensee experiences a significant change in the licensee's corporate, financial or technical circumstances upon which this licence was granted which may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring.	There is no formal documented process in place to monitor significant changes in the corporate, financial or technical circumstances which may affect HP's ability to meet its licence obligations. We were informed by the Regulation and Compliance Manager of an incident that had occurred during the audit period that might have an impact on HP's financial and technical circumstances. This incident was regarding HP's loss of use of a hydro-electricity plant in the north for a three month period. During the period HP was forced to use an alternative energy source at a greatly increased cost. This had a financial impact on HP. We were unable to confirm whether the Authority was informed on a timely basis as HP informed the Authority over the phone. Evidence of the notification was not maintained on file.	HP should create a checklist that is to be completed on a periodic basis to consider the going concern status of the company and document any changes in circumstances. Notices should be recorded, tracked and reported. All notices provided to the Authority of changes in circumstances should be documented in writing and retained for record keeping purposes. A formal policy should be documented and approved for the process of notification to the Authority.	Horizon Power will liaise with its appointed auditors to confirm that their scope of work includes providing assurance to stakeholders that the company is a going concern. In addition, Horizon Power will prepare a register to document any changes in circumstances to ensure any notices are appropriately recorded, tracked and reported to the Authority to ensure changes in circumstances are documented in writing and retained. A policy will be drafted and submitted to the Authority for comment before being finalised by Horizon Powers board. Responsible Person: Amelia Yam, Manager Finance Timing: June 2009
29. Provision of Information				
29.1	The licensee must provide to the Authority any information that the Authority may require in connection with its functions under the Act in	There is no formal process or register in place to capture and monitor information requests from the Authority for information.	HP should implement system to track and monitor information requests received from the Authority.	HP to implement system to track and monitor information requests including phone calls.

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	the time, manner and form specified by the Authority.	We were informed HP intended to purchase a compliance module which records all requests received from the Authority to assist with compliance.		Responsible Person: Frank Buttigieg, Regulation Compliance Coordinator Timing: December 2008
31. Notices				
31.1 31.2	<p>Unless otherwise specified, all notices must be in writing.</p> <p>A notice will be regarded as having been sent and received:</p> <ul style="list-style-type: none"> (a) when delivered in person to the addressee; or (b) 3 business days after the date of posting if the notice is posted in Western Australia; or (c) 5 business days after the date of posting if the notice is posted outside Western Australia; or (d) if sent by facsimile when, according to the sender's transmission report, the notice has been successfully received by the addressee; or (e) if sent by email when, according to the sender's electronic record, the notice has been successfully sent to the addressee's electricity licensing email address. 	<p>HP has not developed any policies and procedures with regards to the provision and receipt of notices. HP currently relies on the Office of Energy policies for notices and is in the process of developing HP policies.</p> <p>Testing identified notices received by HP from the Authority during the audit scope period; however there is no register to record these notices.</p>	HP should develop a register to record all notifications from the Authority or the Office of Energy.	<p>HP to develop a register of notifications from Authority and Office of Energy</p> <p>Responsible Person: Frank Buttigieg, Regulation Compliance Coordinator</p> <p>Timing: December 2008</p>
32. Review of Authority's Decisions				
32.1	The licensee may seek a review of a reviewable decision by the Authority pursuant to this license in accordance with the following procedure:	There is no formal documented process for seeking a review of a decision by the Authority.	HP should develop policies to guide the process of requesting a review of an authority decision.	HP to develop policies to guide the process of requesting a review of an authority decision

Integrated Regional Licence Clause	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
	<ul style="list-style-type: none"> (a) the licensee shall make a submission on the subject of the reviewable decision within 10 business days (or other period as approved by the Authority) of the decision; and (b) the Authority will consider the submission and provide the licensee with a written response within 20 business days. 			<p>Responsible Person: Frank Buttigieg, Regulation Compliance Coordinator</p> <p>Timing: December 2008</p>

Please refer to Appendix A for a description of the detailed findings as a result of our procedures performed.

6. Changes to the Licence

The existing license conditions appear to adequately address the risks identified in the compliance summary and therefore we do not have recommendations to change Horizon Powers integrated license conditions.

7. Audit Opinion

In our opinion, except for the process and control weaknesses relating to license clause reference 5, 20 and 21 identified within section 5 of this report, HP maintained, in all material respects, effective control procedures in relation to the EIRL2 for the period 30 March 2006 to 31 March 2008, based on the relevant clauses referred to within the scope section of this report.

This report is an accurate presentation of our findings and opinion.

Heidi Riddell
Partner

October 2008
Date

Appendix A Audit Program, Risk Assessment and Detailed Findings

**Audit Program
Integrated Regional License**

Prepared By: Michelle Heng, Chris Shirley & Chermaine Tan
Reviewed By: Alistair Smart, Saw Lin Ang & Heidi Riddell

ERA Compliance Reporting Manual Ref.	License Condition	Obligations Under Condition	Electricity License Rules	Likelihood	Consequence	Inherent Risk	Process Owner(s)	Applicable Controls	Audit Procedures	Adequacy of existing Controls	Audit Priority (1=High, 5=Low)	Compliance Rating (1=Non compliant)	Test Results	Work paper Reference
4. Fees														
	4.1		The licensee must pay any applicable fees in accordance with the Regulations.	Unlikely	Minor	Low	Regulation Compliance Manager	A responsible person has been assigned to monitor fees due for payment.	(1) Select a sample of applicable fees over the audit period and check for evidence that the fees have been paid in a timely manner.	Moderate	5	5	We obtained the invoice for the license fee payable by Horizon Power. The invoice has payment details and approval attached. Findings: None Noted Recommendation: None	CA10.4.1 - Invoice and Payment Details
5. Compliance														
	5.1		Subject to any modifications or exemptions granted pursuant to the Act, the licensee must comply with any applicable legislation including, but not limited to, the: - Electricity Industry Customer Transfer Code 2004; - Electricity Industry Metering Code 2	Likely	Major	High	Under the care of respective process owners - refer to 5.1	Please refer to attachment for clause 5.1						
6. Marketers														
	6.1		The licensee must ensure that an electricity marketing agent of the licensee complies with the Code of Conduct of the Supply of Electricity to Small Use Customers	N/A - HP does not use electricity marketing agents.										
	6.2		The licensee must report a breach by the electricity marketing agent of the applicable conditions of the Code of Conduct for the Supply of Electricity to Small Use Customers 2004 to the Authority within 3 business days of becoming aware of the breach											
7. Transfer of License														
	7.1		The license may be transferred only in accordance with the Act.	N/A - Integrated licence has not been transferred.										
8. Cancellation of License														
	8.1		The license may be cancelled only in accordance with the Act.	N/A - Integrated licence has not been cancelled.										
9. Surrender of License														
	9.1		The licensee may surrender the license at any time by written notice to the authority.	N/A - Integrated licence has not been surrendered.										
	9.2		The surrender of the license will take effect on the day that the Authority publishes a notice of the surrender to the Gazette											
	9.3		The licensee will not be entitled to a refund of any fees by the Authority											
10. Renewal of License														
	10.1		The license may be renewed only in accordance with the Act.	N/A - Integrated licence has not been renewed.										
11. Amendment of License on Application of the Licensee														
	11.1		The licensee may apply to the Authority to amend the license in accordance with the Act	N/A - Integrated licence has not been ammended.										
12. Amendment of the License by the Authority														
	12.1		Subject to any applicable legislation, the Authority may amend the license at any time in accordance with this clause.	N/A - Integrated licence has not been ammended.										
	12.2		Before amending the license under clause 12.1, the Authority must: (a) provide the licensee with written notice of the proposed amendments under consideration by the Authority; (b) allow 15 business days for the licensee to make submissions on the proposed amendments; and (c) take into consideration those submissions.											
	12.3		This clause also applies to the substitution of the existing license.											
	12.4		For avoidance of doubt, the licensee will not have to pay an associated application fee or license fee for the purpose of clause 12.1.											
13. Customer Contracts														
	13.1		Subject to the Regulations, the licensee must not supply electricity to a small use customer otherwise than under: (a) a standard form contract; or (b) a non-standard contract.	Probable	Minor	Low	Manager Pricing and Analysis	Policy published on the Horizon Power website. Terms and Conditions are mailed out in a welcome letter for new customers. The call centre customer representatives has business scripts on their system which give directions to customers enquiring for new connection. Customer representatives are trained. Service Level Agreement (SLA) with Synergy.	(1) Understand the term standard and non-standard contract and the process surrounding it. (2) Sight/obtain to the following: (a) policy stated on Horizon Power Website (b) welcome letter to new customers (c) call centre customer representative business scripts	Moderate	5	5	(1) The Manager Retail noted that small use customer are under uniform tariffs which is all under a standard contract. It was noted that larger customers with greater than 160KW per hour are offered non-standard contracts. It was noted that there are 12/13 contracts at the moment. Noted that this is out of 37,000 - 38,000 customers of Horizon Power. (2) (a) The policy was sighted on Horizon Power website at www.horizonpower.com.au. (b) The welcome letter issued to customers was obtained. (c) The call customer business scripts were obtained. The Manager Retail noted that the business scripts are on the system to give directions to the customers on what to say to customers. Noted that the customer representative is trained. Findings: None noted Recommendation: None	CA10.13.1.1 - Welcome Letter CA10.13.1.2 - Business Scripts

5. Compliance														
	13.2		The 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.	Unlikely	Moderate	Medium		No Control Identified	(1) Enquire if the review process is documented and if so, obtain a copy of it. (2) Check with key personnel if Horizon Power has been directed by the Authority to review the standard form contract. (3) Check that the standard form contract is reviewed and has been submitted to the Authority within the time specified.	Weak	4	5	(1) &(2)The Manager Retail noted that there has been no directions received from the Authority to amend it. If there was a request to amend the standard form contract, it would come through from the General Manager and passed on to the appropriate person. (3) Not applicable as there has been no request from the authority to review the contract. Findings: None Noted Recommendation: None	N/A
	13.3		The licensee must comply with any direction given by the Authority in relation to the scope, process or methodology of the review referred to in clause 13.2.	Unlikely	Moderate	Medium				Weak	4	5	(3) Not applicable as there has been no request from the authority to review the contract. Findings: None Noted Recommendation: None	N/A
	13.4		Subject to the Regulations, the licensee must offer to supply electricity under a standard form contract to a small use customer who requests supply.	Probable	Moderate	Medium		No Control Identified	(1) Obtain a listing of small use customers and select a sample to test that Horizon Power has offered to supply electricity under a standard form contract.	Weak	4	5	(1) Through discussion with the Manager Pricing and Analysis, we noted that all small use customers are connected under standard Terms and Conditions which are provided to the customers. A standard contract is not required to be signed by the customer. Findings: None Noted Recommendation: None	CA10.13.4 - Standard Terms and Conditions
14. Amending the Standard Form Contract														
	14.1		The licensee may only amend the standard form contract with the Authority's approval.	Unlikely	Moderate	Medium	Manager Pricing and Analysis		(1) Enquire the procedures regarding amendments of a standard form contract and the required internal approval process. Check if these procedures are documented.	Weak	4	2	(1) The Manager Finance noted that there have been no amendments made to the standard form contract. Therefore procedures have not been developed for it. (2) No Further testing required Findings: There are no documented procedures for the process of amendments made to the standard form contract. Recommendation: Although there have been no amendments made to the standard form contract, HP should document the process to be undertaken in the event that it arises.	N/A
	14.2		The licensee may amend the standard form contract at any time by submitting to the Authority: (a) a proposed amendment to the standard form contract; or (b) a proposed substituted standard form contract.						(2) Obtain amended standard form contract and check that it has been approved by the Authority.					
15. Customer Service Charter														
	15.1		The licensee must prepare a customer service charter if it supplies electricity to small use customers.	Unlikely	Moderate	Medium	Manager Pricing and Analysis Manager Retail Systems and Operations	Approved Customer Service Charter by the board and management. A responsible person assigned to develop customer service charter. Hard copy of the Customer Service Charter sent to customer when bill account is created.	(1) Confirm there is a responsible person assigned to develop the customer service charter. Enquire if policies and procedures exist for the development of customer service charter and obtain a copy of it. (2) Confirm the existence of an approved Customer Service Charter by checking the Horizon Power website. (3) Obtain a hard copy of the customer service charter. Check that it is approved by the Board or Management. Enquire of the preparer.	Strong	5	5	(1) Noted that Manager Retail Systems and Operations prepared the Customer Service Charter. (2) We confirmed that the charter was on the Horizon Power website. (3) A customer service charter was obtained. The Manager Retail noted that it has been approved by the Board and Management as evidenced. Findings: None Noted Recommendation: None	CA10.15.1 - Customer Service Charter on Website CA20.3.4 - Customer Service Charter
	15.2		The licensee must, unless otherwise notified in writing by the Authority, review the customer service charter at least once every 36 months from the grant of the license and submit to the Authority the results of that review within 5 business days after it is completed.	Unlikely	Moderate	Medium		No Control Identified	(1) Check that the review process is documented in Horizon Power's policies and procedures. (2) Perform a walkthrough of the review process and verify if the charter is reviewed according to prescribed guidelines. (3) Confirm if a review has taken place during the audit scope period. (4) Check that the results of the review is submitted to the Authority within 5 days after completion, if a review has been performed.	Weak	4	3	(1) Noted that it has only been 2 years since desegregation from Western Power, therefore the customer charter has not been reviewed. (2) Noted that the process has not been documented in policies and procedures for when the customer service charter needs to be reviewed. (3) & (4) Not Applicable as Customer Charter has not been reviewed. Findings: Horizon Power complies with this obligation however there are no policies or procedures in place for the review of the Customer Charter. Recommendations: Horizon Power should implement a policies and procedures for the process of reviewing the Customer Service Charter.	N/A
	15.3		The licensee may, at any time, review the customer service charter and submit to the Authority the results of that review within 5 business days after it is completed.											
	15.4		Any review of the customer service charter must have regard to the review guidelines.											
16. Amending the Customer Service Charter														
	16.1		The licensee may amend the customer service charter at any time by submitting to the Authority: (a) an amendment to the customer service charter; or (b) a substituted customer service charter.	Likely	Moderate	High	Manager Pricing and Analysis	No Control Identified	(1) Enquire the amendment process with regards to the customer service charter and determine if there are documented procedures relating to it. (2) Walkthrough the process of amending or substituting the charter according to the guidelines; if amended. (3) Determine if the customer service charter has been amended or substituted during the audit period by checking from the original submitted copy to the one published on the ERA website. (4) Check that substitution/ amendments to the customer charter have been submitted to the Authority.	Weak	2	4	(1)&(2) The Manager Retail noted that the Customer Charter has not been amended from the original therefore there is no process/procedures documented. (3) Not applicable as charter has not been amended (4) Refer (3) Findings: Horizon Power complies with this obligation however there are no policies or procedures in place in regards to the amendment process for the customer service charter. Recommendation: Horizon Power should create policies and procedures for the process of amending the Customer Service Charter.	N/A
17. Supplier of Last Resort														

5. Compliance													
17.1		If the licensee is designated a supplier of last resort under the Act, the licensee must perform the functions of the supplier of last resort.	Probable	Moderate	Medium	Regulation Compliance Manager	No Control Identified	(1) Confirm if the functions of the supplier of the last resort are spelled out in the policies and procedures. (2) Check if the functions specified in clause 72 of the Act has been complied with, i.e. supply of last resort plan has been drafted and approved by the authority	Weak	5	4	(1) The Manager Retail noted that Horizon Power is the supplier of last resort. Noted that the functions of the Act has not been documented in their internal procedures. (2) Through discussion with Regulation Compliance Manager, we understand that the plan has not been drafted pending receipt of plan requirement from the Office of Energy. Obtained email from the manager Findings: Horizon Power complies with this obligation however we noted that the functions of the supplier of last resort are not documented in policies and procedures. Recommendation: Horizon Power should create policies and procedures detailing the functions of the supplier of last resort.	CA10.17.1 - email from manager about pending plan requirement
18. Directions of the Authority													
18.1		The licensee must comply with any direction given by the Authority pursuant to section 53 of the Act.	Unlikely	Major	High	Regulation Compliance Manager	A responsible person has been assigned.	(1) Confirm there is a system put in place to handle directions provided by the Authority. (2) Enquire if a register is used to record all directives from the Authority. (3) Obtain all directives during the scope period and test all directives have been complied with.	Moderate	2	4	(1) We noted through discussion with the Compliance Manager that there were no formalized procedures documents or systems in place to process and document directions that had been provided by the Authority (2) We noted that no register was maintained to record directives received from the authority. (3) We noted that there were no directives had been given to Horizon Power within the Audit Period. Findings: Horizon Power does not have procedures or a register to record and process directions received by the Authority. Recommendation: HP should implement a register to maintain all directions received by the authority. Additionally, a policy should be created to document the process of responding to directions provided by the authority.	N/A
19. Approved Scheme													
19.1		The licensee must not supply electricity to small use customers unless the licensee is: (a) a member of an approved scheme; and (b) bound by, and compliant with, any decision or direction of the electricity ombudsman under the approved scheme.	Unlikely	Moderate	Medium	Manager Pricing and Analysis	A responsible person has been assigned.	(1) Confirm that a responsible person is assigned for the registration of membership for the approved scheme (2) Obtain evidence of documents that state that Horizon Power is: (a) a member of an approved scheme; and (b) bound by, any decision or direction of the electricity ombudsman under the approved scheme.	Moderate	3	4	(1) We confirmed through discussion with the Compliance Manager that General Manager of Governance and Legal, Peter Feldhusen was responsible for the registration of membership in the approved scheme. (2)(a) Sighted evidence of membership through the annual report of the Energy Industry Ombudsman Annual Report 2007. We also obtained evidence of payment of fees to the ombudsman. (b) We noted that no register was maintained to record directives received from the electricity ombudsman. Findings: Horizon Power does not have procedures or a register to record and process directions received by the Authority. Recommendation: HP should implement a register to maintain all directions received by the electricity ombudsman. Additionally, a policy should be created to document the process of responding to directions provided by the authority.	CA10.19.1 - Annual Report 07 CA10.19.2 - Payment of Fees to the ombudsman
20. Renewable source electricity contract													
20.1		The licensee must submit to the Coordinator a draft renewable source electricity contract by the time specified in the Act or by the Coordinator.	Probable	Moderate	Medium	Manager Pricing and Analysis	No Control Identified	(1) Enquire with the key relevant personnel the submission process with regards to renewable source electricity contract. (2) Confirm that the draft was submitted in a timely manner.	Weak	3	2	Through discussion with Regulation Compliance Manager, the draft contract has not been submitted. Horizon Power relies on the current standard form contract. There is plan to develop a stand alone renewable source electricity. Findings: Horizon Power has not submitted a draft renewable source electricity contract to the Coordinator. Recommendation: Horizon Power should draft and submit the contract to the	N/A
20.3		The licensee may amend the renewable source electricity contract at any time by submitting to the Coordinator: (a) an amendment to the renewable source electricity contract; or (b) a substituted renewable source electricity contract.	Probable	Moderate	Medium		No Control Identified	(1) Enquire if Horizon Power has made any amendments to the renewable source energy contract. (2) Check that the amendment has been submitted to the Coordinator for approval.	Weak	3	N/a	(1) N/A as the draft has not been submitted to the Coordinator. Findings: None Noted Recommendation: None.	N/A
20.6		The licensee must comply with a direction given by the Coordinator under clause 20.5.	Unlikely	Moderate	Medium		No Control Identified	(1) Confirm whether any directions have been provided recently to Horizon Power to submit amendment for renewable source electricity and whether submission was made in a timely manner.	Weak	3	N/a		N/A
21. Renewable source electricity													
21.1		The licensee must offer to purchase renewable source electricity from a renewable source electricity customer who wishes to sell electricity to the licensee.	Likely	Moderate	High	Manager Pricing and Analysis	The process of offering to purchase renewable source electricity is documented in policies and procedures. Renewable source energy report.	(1) Check that the offer to purchase of renewable source electricity is documented in Horizon Power's policies and procedures. (2) Obtain a sample of purchases of renewable energy. Select a sample and confirm that it is in the approved form of a renewable source electricity contract.	Strong	1	5	(1) We noted through discussion that the process of offering to purchase renewable source electricity is documented in policies and procedures. We obtained a copy of the Horizon Power Customer Application Procedure. (2) We noted through discussion that Horizon Power relies on it's standard contract terms and conditions for renewable source electricity contracts. Customers are not required to sign off on a contract, agreement is generally verbal (via telephone). Terms and conditions are available on request by the customer or on the Horizon Power website. Through discussion we also noted that Horizon Power has developed a draft Renewable Source electricity contract that has not been submitted to the ERA for approval and is not in use. We obtained a copy. (3) We obtained a copy of the only report filed so far which was for the year ending June 2007. We confirmed that the Amount of renewable source energy and the cost of purchasing were included in the report.	CA10.21.1 - Customer Application Procedure CA10.21.2 - Renewable source energy report CA10.21.3 - Renewable source energy Contract
21.2		The offer to purchase electricity in clause 21.1 must be in the form of a renewable source electricity contract approved by the Coordinator in accordance with clause 20.	Likely	Moderate	High			(3) Obtain a sample of reports submitted to the Coordinator and check that the reports have the following details: (a) the amount of renewable source electricity purchased by Horizon Power (b) the cost of purchasing that renewable source electricity. (4) Check that the report is submitted within a reasonable timeframe at the end of the financial year.	Weak	1	2		

5. Compliance													
	21.3		The licensee must submit to the Coordinator a written report detailing: (a) the amount of renewable source electricity purchased by the licensee; and (b) the cost of purchasing that renewable source electricity, as soon as practicable at the end of each financial year.	Likely	Moderate	High				Weak	1	5	(4) The report was issued on 28 August 2007. Findings: There is no specific contract for renewable source customers Recommendation: Horizon Power should submit to the Coordinator for approval the draft renewable source electricity contract for use with its renewable source electricity customers.

5. Compliance													
22. Extension and expansion plan													
22.1		The licensee must submit to the Coordinator a draft extension and expansion policy within three months after a written request by the Coordinator or other such time as allowed by the Coordinator.	Probable	Moderate	Medium	Manager Generation Services Technical Manager Networks Networks Manager - Pilbarra	No Control Identified	(1) Confirm there is a responsible person assigned to handle the process relating to drafting and approval of extension and expansion policy. (2) Walkthrough the process of drafting the expansion and expansion policy to confirm it has been reviewed prior to submission, if requested by the Coordinator. (3) Confirm if any extension/ expansion policies have been drafted and submitted to the Coordinator within three months after a written request by the Coordinator.	Weak	3	5	(1) & (2) The Manager Generation Services noted that Horizon Power have not yet been requested to submit a draft extension and expansion policy. He further noted that they are currently in feasibility studies stage. The Technical Manager Networks (Transmission and Distribution) stated that they had not yet been requested to submit a draft extension and expansion policy. We also noted that the a draft policy has been created however they have not submitted it for approval as they are not currently required to do so. The draft copy has not been approved. (3) No requests have been sent to Horizon Power by the authority. Findings: None Noted Recommendations: None	N/A
22.2		The licensee must comply with any direction given to the licensee by the Coordinator to: (a) amend the draft extension and expansion policy; or (b) submit an amendment to the approved extension and expansion policy, within the time specified by the Coordinator.	Unlikely	Moderate	Medium		(1) Existence of a system to handle all directions provided by ERA. (2) Existence of a review process once draft/ approved policy has been amended.	(1) Confirm there is a system put in place to handle directions provided by the Authority. (2) Identify if there has been a direction provided by Coordinator to Horizon Power to: (a) amend the draft extension and expansion policy; or (b) submit an amendment to the approved extension and expansion policy by the Coordinator. (3) confirm that amended draft or approved policy has been reviewed before submission. (4) check if the submission is made within the time specified by the Coordinator.	Moderate	4	5	(1) There is no formal system in place to handle directions provided by the Authority. (2)-(4) There has been no directions provided to the Coordinator in relation to extension and expansion policy. Findings: None Noted Recommendations: None	
22.3		The licensee must comply with an extension and expansion policy that has been approved by the Coordinator in accordance with the Act.	Probable	Moderate	Medium		(1) Existence of approved extension and expansion policy. (2) Existence of a monitoring system with regards to compliance with the extension and expansion policy approved by the Coordinator, including fee payment.	(1) Confirm the existence of the extension and expansion policy by obtaining a copy of the document. (2) Enquire whether there is a monitoring process to ensure compliance with the policy. Document the key controls and test the controls. (3) Select a number of key clauses from the policy and test for compliance. (4) Check that all required fees have been paid promptly. Agree payment amount to invoice.	Moderate	4	5	(1) - (3) There is currently no Expansion and Extension policy in place. Findings: None Noted Recommendations: None.	
22.4		The licensee must pay any applicable fees in accordance with the Regulations.										Through discussion with the Technical Manager, Network we confirmed that Horizon Power had not been required to be any fees in regards to the expansion and extension policy during the audit period. Findings: None Noted Recommendations: None.	
23. Expansion or reduction of generating works													
23.1		The licensee may expand or reduce the generating works if the relevant expansion or reduction is provided for in the asset management system.	Probable	Moderate	Medium	Manager Generation Services	No Control Identified	(1) Enquire if there are procedures documented in relation to the requirements of 23.1 to 23.4. Obtain a copy of the document. (2) Obtain a listing of expansion and reductions that occurred during the scope period. Check that Horizon Power has amended the asset management system before the expansion or reduction took place and has notified the Authority. (3) Select a sample of expansions during the scope period and check that Horizon Power has not expanded its generating works outside the license area. Obtain evidence. (4) Check that applicable fees are paid in accordance with the regulations.	Weak	4	5	(1) We obtained copies of the Asset Decommissioning and Divestment Procedure (which deals with Reductions) and the 'Gating Process' (expansions). We noted that Expansions and Reductions for generations is provided for in the current Asset Management System (Ellipse) (2) We noted that there have been no expansions or reductions within the scope period. (3) See (2) above (4) Through discussion with the Manager Generation Services, we noted that there are no applicable fees for expansions or reductions. Findings: None Noted Recommendations: None	CA10.23.1 - Policies
23.2		If the relevant expansion or reduction is not provided for in the asset management system, the licensee must amend the asset management system before the expansion or reduction and notify the Authority in accordance with clause 27.2 of this license.				Technical Manager Networks							
23.3		The licensee must not expand the generating works outside the license area.	Probable	Moderate	Medium				Weak	4	5		
23.4		The licensee must pay any applicable fees in accordance with the Regulations.											
24. Accounting Records													
24.1		The licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	Unlikely	Minor	Low	Finance and Corporate Services Manager	Financial / Accounting team and system in place, who are responsible for managing and completing accounting/finance tasks. The Manager, Finance currently and in year 06/07 are CA qualified. Staff in finance team are either CA or CPA qualified. Annual audited financial accounts.	(1) Obtain the structure of the finance team and the accounting manual. (2) Sight signed audited accounts for the financial year ending 30 June 2006 and 30 June 2007.	Moderate	5	5	(1) Finance Team structure was obtained. The Manager Finance noted that they have sufficient staff within the Finance Department and most staff are CA or CPA qualified. It was noted however, that the accounting manual does not include all items however include how to account for major items e.g. sales, cost of sales and month end procedures. It was noted that the Accounting manual was adopted from Western Power (since desegregation) and have not been tailored specifically for Horizon Power as yet. (2) The audited accounts for the financial year ending 30 June 2006 and 30 June 2007 were obtained. Findings: None Noted Recommendation: None	CA-20.3.22 - Annual Report 06 CA-20.3.21 - Annual Report 07
25. Individual Performance Standards													
25.1		Performance standards are contained in applicable legislation.	N/A - The Authority has not prescribed individual performance standards to HP.										
25.2		The Authority may prescribe individual performance standards in relation to the licensee of its obligations under this license or the applicable legislation.											

5. Compliance																	
25.3			Before approving any individual performance standards under this clause, the Authority will: (a) provide the licensee with a copy of the proposed individual performance standards; (b) allow 15 business days for the licensee to make submissions on the proposed individual performance standards; and (c) take into consideration those submissions.														
25.4			Once approved by the Authority, the performance standards are included as additional terms and conditions to this license.														
26. Performance Audit																	
26.1			The licensee must, unless otherwise notified in writing by the Authority, provide the Authority with a performance audit within 24 months after the commencement date, and every 24 months thereafter.	Unlikely	Minor	Low	Regulation Compliance Manager	Ernst & Young has been appointed. Internal processes to coordinate, manage and complete performance audit.	(1) Interview key personnel to determine whether a process exists to provide the Authority with a performance audit every 24 months. (2) Walkthrough the process and sight key documents used/retained.	Strong	5	5	(1)The Governance and Legal Services is responsible for arranging for the audit. The audit was put out to tender and the entire process was managed by Technical Regulation Engineer. Once the auditor has been selected, the Contract Officer reviewed the commercial terms. (2) Sighted the file kept for the tender process for this audit. Findings: None Noted Recommendation: None.	N/A			
26.2			The licensee must comply, and must require the licensee's auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit, including any minimum requirements relating to the appointment of the auditor, the scope of the audit, the conduct of the audit and the reporting of the results of the audit.														
27. Asset Management System																	
27.1	27.2	27.3	27.4	27.5	27.6		Probable	Moderate	Medium	Manager Generation Services Technical Manager Networks (John Zanello)	Generation - Asset Management Plan Transmission & Distribution - Asset Management System. DQM in which they pick projects. When a project is set up, there are parameters set in the DQM such that when a project reaches a certain size a report is automatically generated for the ERA.	(1) Discuss with key personnel within generation, distribution and transmission areas the notification process to the Authority of the commencement/ completion or material changes of the said systems. (2) Walkthrough the process and obtain a copy of key documents used/retained. (3) Enquire if there have been any commencement or construction of systems for generation, distribution and transmission. Check that the Authority has been notified within 2 business days from the commencement date or from the completion of construction of the generating works, distribution systems or transmission systems, whichever is later. (4) Enquire and document the reporting process of effectiveness of asset management system. (5) Obtain a copy of the report in relation to the effectiveness of the asset management system. Verify that it was submitted to the Authority within the specified timeframe. (6) Enquire and obtain evidence to verify whether an independent expert has been appointed and approved by the Authority prior to the asset management system review.	Moderate	4	5	(1)& (2) The Manager Generation Services notes that at the time of application for licence, the asset management plan was provided to the ERA. It was noted that as they are building new generators, they need to provide an update of the asset management plan to the ERA. They are currently working on putting that together. The Technical Manager Networks notes that for transmission and distribution, an Asset Management System - DQM is in place in which they document and set up projects. There are parameters set in the DQM such that when a project reaches a certain size, a report is automatically generated for the ERA. The Technical Manager Networks notes that construction of distribution systems or transmission systems have occurred. The Manager Generation Services notes that this will occur in the future, currently they are developing the asset management plan for that. (3) Through discussion with the Manager Generation Services, we noted that there had been no commencements or constructions of systems for generation. Through discussion with the Technical Manager Networks, we noted that there has been no commencement of constructions for system for distribution or transmission. (4) Through discussion with the Manager Generation Services, we noted that the Asset Management Plan that is currently being prepared. (5) We noted through discussion with the Manager (Terry) that the audit for the (6) We obtained a copy of the appointment of an independent expert (GHD Consulting) for the audit of the Asset Management System. Findings: None Noted Recommendation: None.	CA10.27.1 - Appointment of Auditor Letter
			The licensee must provide for, and notify the Authority of, an asset management system in relation to the generating works, distribution system and transmission systems within 2 business days from the commencement date or from the completion of construction of the generating works, distribution systems or transmission systems, whichever is later. The licensee must notify the Authority of any material change to the asset management system within 10 business days of such change. The licensee must, unless otherwise notified in writing by the Authority, provide the Authority with a report as to the effectiveness of the asset management system within 24 months after the commencement date and every 24 months thereafter. The licensee must comply, and must require the licensees expert to comply, with the Authority's standard guidelines dealing with the asset management system, including any minimum requirements relating to the appointment of the expert, the scope of the review, the conduct of the review and the reporting of the results of the review.														
			The licensee may seek a review of any of the requirements of the Authority's standard guidelines dealing with the asset management system in accordance with clause 32.1. The independent expert may be nominated by the licensee but must be approved by the Authority prior to the review pursuant to clause 27.3. Should the Authority reject the licensee's nomination of an independent expert twice or, in the event that no independent expert has been nominated by the licensee within 1 month of the date the review was due, the Authority may choose an independent expert who will conduct the review.														
28. Reporting																	
28.1			The licensee must report to the Authority: (a) if the licensee is under external administration as defined by the Corporations Act 2001 (Cwlth) within 2 business days; or (b) if the licensee experiences a significant change in the licensee's corporate, financial or technical circumstances upon which this license was granted which may affect the licensee's ability to meet its obligations under this license within 10 business days of the change occurring.	Unlikely	Major	High	Regulation Compliance Manager	Monthly business report which includes financial and operational performance Quarterly Reporting to the Board Annual Report	(1) Enquire with key personnel if a checklist is used periodically to consider external administration or significant changes to corporate, financial or technical circumstances. (2) Obtain copies of the following during the audit scope period: - monthly business reports; and - 6 monthly annual report. and review for any going concern issues in these reports. (3) Enquire if significant changes with regards to corporate, financial or technical circumstances had happened during the audit period, enquire and obtain evidence that the Authority had been notified within 10 business days of the change occurring.	Moderate	2	4	(1) According to Regulation Compliance Manager, he does not consider external administration or changes periodically and there is no checklist used to indicate that consideration has been made. (2) We obtained a copy of the monthly reports for May 2008, September 2007 and April 2007 . Through discussion with the Compliance Manager we noted that quarterly reports to the board are no longer prepared, as the monthly report is considered to be sufficient for reporting purposes. We also obtained a copy of the latest 6 monthly annual report. (3) Through discussion we noted there was an incident that occurred and the Authority was informed but he did not retain any evidence as notification was done over the phone. We where unable to obtain evidence of the incident. Findings: 1. There is no checklist for considering external administration or changes to the circumstances (financial, technical or corporate) 2. No evidence kept of notification provided to the Authority about changes to circumstances. Recommendations: 1. Horizon Power should create a checklist that is to be completed 2. All notices provided to the Authority of changes in circumstances should be in	(Ref CA10.28.1-3) - Monthly Reports to board			
29. Provision of Information																	

5. Compliance														
	29.1		The licensee must provide to the Authority any information that the Authority may require in connection with its functions under the Act in the time, manner and form specified by the Authority.	Unlikely	High	Major	Regulation Compliance Manager	A responsible person assigned to handle information requests from the Authority	(1) Enquire with key relevant staff the handling process of ERA's request for information. Check if requests are registered. (2) Identify requests for information from the Authority during the audit scope period and check whether information provided to ERA was made in a timely manner and in the specified format.	Moderate	3	4	The Regulation Compliance Manager tracked request manually. There is no register kept except a manual file. Manager indicated there is an intention to purchase a compliance module for the system to assist with compliance. Obtained file and checked letters received from the ERA. Findings: No formal process or register to capture information requests from the ERA for information. Recommendation: Horizon Power should implement a Register of information requests received from the authority.	CA10.29.1 - ERA Correspondence

5. Compliance													
30. Publishing Information													
30.1		The Authority may direct the licensee to publish any information within a specified timeframe it considers relevant in connection with the licensee or the performance by the licensee of its obligations under this license.	Unlikely	High	Medium	General Manager Public Affairs	A personal assistant assigned to monitor and manage the register / database of ERA requests.	(1) Enquire with the key personnel the process for handling the requests from the Authority with regards to publishing confidential and non confidential information. Walkthrough the process and obtain key documents used. (2) Select a list of directives received from the Authority during the audit scope period with regards to publishing information. Select a sample requests received during the audit scope period and perform the following: (a) non confidential information - check if they have been published in a timely manner and in the required specified form. (b) confidential information - check if the Authority was notified in a timely manner, i.e. immediately.	Moderate	4	5	(1) The General Manager Public Affairs noted that the request is from the ERA to the Managing Director, then to the General Manager Public Affairs and to the PA to upload into the register and publish on the internet. Noted that the information is reviewed by the Managing Director and the General Manager Public Affairs. If the statements may be incorrect, misleading or not specific to Horizon Power, the General Manager Public Affairs noted that he will release a media statement along with the published information. We obtained Emails between the General Manager Public Affairs and the Managing Director (2) The General Manager Public Affairs noted that the following reports are duly published on the internet: • Reliability and compliance document • Annual Report • Quarterly Report • Statement of Corporate Intent EY sighted to these reports for 2005/06 on the internet. The General Manager noted that confidential information has not been requested to be published. Findings: None Noted Recommendation: None.	CA10.30.1 - Emails between GM Public Affairs and the MD
30.2		Subject to clause 30.3, the licensee must publish the information referred to in clause 30.1.											
30.3		If the licensee considers that the information is confidential it must: (a) immediately notify the Authority; and (b) seek a review of the Authority's decision in accordance with clause 32.1.											
31. Notices													
31.1		Unless otherwise specified, all notices must be in writing.	Probable	Minor	Low	Regulation Compliance Manager	No Control Identified	(1) Enquire with key personnel regarding the policies and procedure for provision of notices and identify the controls before the notices are released.	Weak	5	4	Through discussion with the (Warren Wood) we noted that notices were provided in writing. The following process is followed for delivery of notices to customers: - Reminder notices are sent when a bill is not paid on time - Overdue notices are the next level and sent out if the reminder does not prompt payment - Final Demand is the third step in the escalation - If the final demand is not responded a Legal letter is sent out warning of possible legal action to recoup the outstanding balance - If no action still a disconnection notice is sent out - Prior to actual disconnection the final communication is the Final Disconnection warning We noted through discussion that Horizon Power currently does not have it's own policies and relies on the Office of Energy policies for notices. Findings: No policy and procedures for notices Recommendation: Horizon Power should develop policies and procedures for notices (noted that they are currently in the process of this).	N/A
31.2		A notice will be regarded as having been sent and received: (a) when delivered in person to the addressee; or (b) 3 business days after the date of posting if the notice is posted in Western Australia; or (c) 5 business days after the date of posting if the notice is posted outside Western Australia; or (d) if sent by facsimile when, according to the sender's transmission report, the notice has been successfully received by the addressee; or (e) if sent by email when, according to the sender's electronic record, the notice has been successfully sent to the addressee's electricity licensing email address.	Probable	Minor	Low	Regulation Compliance Manager	No Control Identified		Weak	5	4		
32. Review of the Authority's Decisions													
32.1		The licensee may seek a review of a reviewable decision by the Authority pursuant to this license in accordance with the following procedure: (a) the licensee shall make a submission on the subject of the reviewable decision within 10 business days (or other period as approved by the Authority) of the decision; and (b) the Authority will consider the submission and provide the licensee with a written response within 20 business days.	Unlikely	Minor	Low	Regulation Compliance Manager	A responsible person assigned to monitor the process to seek a review of decisions by the Authority.	(1) Enquire if the process for seeking to review a decision from the authority. (2) Enquire if there has been any request for reviews within the audit period.	Minor	5	4	(1) Through discussion with the Manager Pricing and Analysis, we noted that there was no process in place for reviewing a decision from the authority. (2) Through discussion we noted that no request for reviews had occurred during the audit period. Findings: No process in place to deal with seeking a review of a decision by the authority. Recommendations: Horizon Power should develop policies to guide the process of requesting a review of an authority decision.	N/A

ERA Compliance Reporting Manual Ref.	Licence Condition	Obligations Condition	Under	Description	Likelihood	Consequence	Inherent Risk	Process Owner(s)	Applicable Controls	Audit Procedures	Adequacy of existing Controls	Audit Priority (1=High, 5=Low)	Compliance Rating (1=Non compliant, 5=Compliant)	Results	Work paper Reference
1. CUSTOMER TRANSFER															
No audit procedures included as code has not been applied. Horizon Power is the only retailer in its licence area.															
2. METERING															
306 307 309				A network operator must ensure that there is a metering installation at every connection point on its network, excluding Type 7 connection points (e.g. Street lights, parking meters, community). All meters must meet the requirements specified in the applicable metrology procedure and National Measurement Institute under the National Measurement Act. A network operator must, for each metering installation on its network, on and from the time of its connection to the network, provide, install, operate and maintain the metering installation in the manner prescribed (unless otherwise agreed). A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.	Likely	Moderate	High	Contract ordinator, Network Customer Services	No Control Identified	(1) Through discussion, gain an understanding of the process in place to comply with the obligations. (2) Confirm if there is/ are responsible party assigned to monitor performance and compliance by service provider. (3) Enquire with the key personnel whether reporting protocols were established between Western Power and Horizon Power to ensure compliance against obligations. (4) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports	Weak	1	2	(1) The Contract Coordinator Network Customer Services informed that the metering service is provided by WP. It was further noted that WP holds all the information for it. We were informed that there is no SLA established with regards to metering. (2) The Contract Co-ordinator, Network Customer Services is the HP metering point specialist nominated to liaise with Administrator Data Management, Metering Services in charge of metering from WP. (3) WP uses the MBS system where all metering data is stored, this includes metering points, meter readings and types of meters. This information is made available as HP has view access to the MBS system. Through discussion with the Contract Coordinator Network we understand that retail ensures that they get all metering data regularly from WP to enable them to generate invoices to bill customers. (4) HP can request information and reports regarding metering from WP. However, currently they are not requesting any information and relying on WP until they put more controls in place. Findings: 1. No SLA established to stipulate compliance requirements however HP is working towards developing one for Q4 2008. 2. No reporting protocol exists between WP to HP. Recommendations: 1. To establish SLA in relation to obligation number 306, 307 and 309. 2. Reporting should be performed by WP to HP for obligation numbers 206, 307 and 309.	N/A
314				For a metering installation used to supply a customer with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, the metering installation must meet the relevant accuracy requirements of Type 3 metering installation	Likely	Moderate	High	Contract ordinator, Network Customer Services	No Control Identified	(1) Confirm if there is/ are responsible party assigned to monitor performance and compliance by service provider. (2) Enquire with the key personnel whether reporting protocols were established between Western Power and Horizon Power to ensure compliance against obligations. (3) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports	Weak	1	2	(1) The Contract Co-ordinator, Network Customer Services is the HP metering point specialist nominated to liaise with Colin Walker in charge of metering from WP. (2) WP uses the MBS system where all metering data is stored, this includes metering points, meter readings and types of meters. This information is made available and is transparent to HP as HP has view access to the MBS system. Discussion with the Contract Coordinator Network identified that the control in place is that retail ensures that they get all metering data regularly from WP to enable them to generate invoices to bill customers. (3) HP can request information and reports regarding metering from WP. However, currently they are not requesting any information and relying on WP until they get more controls in place. Findings: 1. No formal reporting from WP to HP. Recommendations: 1. To establish formal reporting from WP to HP in relation to obligation numbers 314.	N/A
317 305 318 336				A network operator must ensure that a metering installation on its network permits collection of data within the timeframes and to the level of availability specified. If a metering installation is required to include a communications link, the link must (where necessary), include a modem and isolation device approved under the relevant telecommunications regulations, to allow the interval energy data to be downloaded in the manner prescribed. A network operator must make repairs to the metering installation in accordance with the applicable service level agreement if an outage or malfunction occurs to a metering installation. Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.	Likely	Moderate	High	Contract ordinator, Network Customer Services	Inspection and testing of Communications link before it is used. Reminder from the system when meters don't get read - prompt from retail. Report listing outstanding service orders is run on a weekly basis.	(1) Through discussion, gain an understanding of the process in place to comply with the obligation. (2) Confirm if there is/ are responsible party assigned to monitor performance and compliance by service provider. (3) Enquire with the key personnel whether reporting protocols were established between Western Power and Horizon Power to ensure compliance against obligations. (4) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports	Weak	1	2	(1) Obligation 317: Discussion identified that WP provides the meter reading service. Noted that this requirement is not stipulated in the SLA. Obligation 305: This obligation comes under WP. WP performs the metering installation. The communications link is a technology for communicating to the meter. When this is installed, it is inspected, tested, run and used. Obligation 318: This obligation comes under HP and WP. (HP will repair/rectify it if it is fault but sometimes WP). The process is: - Customer calls Synergy Call center to request to replace or fix a meter - a Service Order is generated from the Western Power MBS - Service Order is sent to HP - the meter is replaced or rectified by the Field Officers. The Contract Coordinator Network Services Customer noted that the Service Order Jobs will be completed as soon as possible. Noted that there is no specified timeframe for completion but jobs will be done as there is a constant flag reminder from the system if meters don't get read. Furthermore, they are prompted by retail as they cannot bill the customer. A report listing outstanding service orders is run on a weekly basis to make sure jobs get completed on time. The report is reviewed, and outstanding items will be actioned. An analysis is performed each week by the Contract Co-ordinator Network Customer Services of the number of orders completed and added on to the service order outstanding report, these totals are documented on an excel spreadsheet. One of the Officers will call the depot and send out the outstanding orders to the regions to enquire which orders can be closed off and which are to be added on.	Service Order Outstanding report CA-20.2.1 Service Order Excel Summary Spreadsheet CA-20.2.2 Outstanding Service Order Report sent to Depot CA-20.2.3
													2	Obligation 336: The accuracy of the internal real time clock is managed by WP. (2) The Contract Co-ordinator, Network Customer Services is the HP metering point specialist nominated to liaise with Administrator Data Management, Metering Services in charge of metering from WP. (3) WP uses the MBS system where all metering data is stored, this includes metering points, meter readings and types of meters. This information is made available and is transparent to HP as HP has view access to the MBS system. Through discussion with the Contract Coordinator Network we understand that retail ensures that they get all metering data regularly from WP to enable them to generate invoices to bill customers. (4) Currently HP can request information and reports regarding metering from WP. However they are not requesting any information at the moment and relying on WP until they get more controls in place. Findings: (1) Testing of obligation 318 identified one instance of 8 whereby the Service Order Outstanding Reports were not generated. (2) Metering information is not reported from WP to HP. (3) SLA does not specify any of the obligations. Unable to confirm compliance. Recommendations: (1) The SLA between HP and WP should be developed to encompass the obligation requirements 317, 305, 318 and 336.	Testsheet 318 D10.3

ERA Compliance Reporting Manual Ref.	Licence Condition	Obligations Condition	Under	Description	Likelihood	Consequence	Inherent Risk	Process Owner(s)	Applicable Controls	Audit Procedures	Adequacy of existing Controls	Audit Priority (1=High, 5=Low)	Compliance Rating (1=Non compliant, 5=Compliant)	Results	Work paper Reference
328				A network operator must ensure that a Type 1 metering installation to Type 5 metering installation on the network has the facilities and functionality prescribed.	Likely	Moderate	High	Contract Coordinator, Network Customer Services	No Control Identified	(1) Through discussion, gain an understanding of the process in place to comply with the obligation. (2) Confirm if there is/ are responsible party assigned to monitor performance and compliance by service provider. (3) Enquire with the key personnel whether reporting protocols were established between Western Power and Horizon Power to ensure compliance against obligations. (4) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports	Weak	1	2	(1) WP provides metering service to HP and relies on WP to comply with the obligation. HP rely on WP for providing the services, if WP is not complying, HP is not complying. There is no compliance reporting from WP to HP. (2) (3) & (4) There is no formal reporting from WP. Findings: (1) No formal reporting from WP for obligation requirement 328. (2) SLA does not exist between HP and WP. Unable to confirm compliance. Recommendations: (1) Reporting should be performed by HP to WP for obligation requirement 328. (2) SLA between HP and WP should be developed to encompass obligation requirement 328.	N/A
344 345 361				A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network. A network operator must ensure that its metering database and associated links, circuits, information storage and processing systems are secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorized access and enable unauthorized access to be detected. A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database within the timeframes prescribed.	Likely	Moderate	High	Contract Coordinator, Network Customer Services	No Control Identified	(1) Through discussion, gain an understanding of the process in place to comply with the obligation. (2) Confirm if there is/ are responsible party assigned to monitor performance and compliance by service provider. (3) Enquire with the key personnel whether reporting protocols were established between Western Power and Horizon Power to ensure compliance against obligations. (4) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports	Weak	1	2	(1) WP provides metering service to HP and relies on WP to comply with the obligation. HP rely on WP for providing the services, if WP is not complying, HP is not complying. There is no compliance reporting from WP to HP. (2) (3) & (4) There is no formal reporting from WP. Findings: (1) SLA does not specify obligation requirements 344, 345 and 361. (2) No formal reporting from WP for obligation requirements 344, and 361. Unable to confirm compliance. Recommendations: (1) SLA should be updated to specify obligation requirements 344, 345 and 361. (2) Formal reporting from WP should be established for clause 344 and 361.	N/A
346				A network operator must prepare, and if applicable, must implement a disaster recovery plan to ensure that it is able, within 2 business days after the day of any disaster, to rebuild the metering database and provide energy data to Code participants	Likely	Moderate	High	Contract Coordinator, Network Customer Services	No Control Identified	(1) Enquire of the disaster recovery plan in place to ensure that HP is able, within 2 business days after the day of any disaster, to rebuild the metering database and provide energy data to Code participants.	Weak	1	2	(1) Metering data is backed up and supported in Melbourne. A high level SLA between HP and WP is in place, noted that it is generic and states that WP will continue to provide the services provided before desegregation. Findings: (1) There is no SLA between WP and HP that refers to the obligation. +O18Recommendation: (1) The SLA between HP and WP should be developed to stipulate the requirements of HP to implement a disaster recovery plan.	SLA between HP and WP CA-20.2.4
358				A network operator must retain energy data in its metering database for each metering point on its network: (a) for at least 13 months from the date when the data was obtained — in a readily accessible format; and (b) after that period for at least a further 5 years and 11 months — in a format that is accessible within a reasonable period of time.	Likely	Moderate	High	Contract Coordinator, Network Customer Services	No Control Identified	(1) Through discussion, gain an understanding of the process in place to comply with the obligation. (2) Confirm if there is/ are responsible party assigned to monitor performance and compliance by service provider. (3) Enquire with the key personnel whether reporting protocols were established between Western Power and Horizon Power to ensure compliance against obligations. (4) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports	Weak	1	2	(1) Discussion with the Contract Coordinator, Network Customer Services identified that this process is in place at WP, that the MBS is built to meet the requirements of the obligation. (2) (3) & (4) Currently there is no formal reporting from WP. The Contract Coordinator, Network Customer Services noted that they are relying on WP to provide the service and complying with required obligations. Findings: (1) No formal reporting from WP to HP. Recommendations: (1) The SLA between HP and WP should establish to include obligation 358.	SLA between HP and WP CA-20.2.4
366 367 404				A network operator must provide validated, and where necessary, substituted or estimated energy data for a metering point to the user for the metering point and the IMO within the timeframes prescribed. A network operator must provide replacement energy data to the user for the metering point and the IMO within the timeframes prescribed. A network operator that uses a deemed actual value (first value) for energy data for a metering point, and a better quality deemed actual value is available (second value), must replace the first value with the second value if doing so would be consistent with good electricity industry practice.	Probable	Moderate	Medium	Manager Retail Systems and Operations	No Control Identified	(1) Interview key personnel to obtain an understanding of the process in relation to substituted or estimated meter readings. (2) Walkthrough the substituted/estimated meter reading process and obtain a copy of key policies, procedures and other relevant documents used/maintained. Check if the replacement of energy data with better data practice is included in the policies and procedures document. (3) Obtain a list of all replacement energy data, substituted/estimated meter readings for the audit period. (4) From the listing, select a sample to test that network operator has provided the replacement data within 2 business days.	Weak	3	2	(1) The meter reader is unable to read the meter due to reasons such as the locked meter, access difficulty etc. The meter reader leaves a card on the premise stating that the bill will be estimated. The meter reader uses a hand held device (Nitron) and enters the code for the reason why he can't access the premise. This information is sent through via Western Power MBS System. WP generates an estimated amount using the Western Power MBS system, the estimated amount is sent through to the Synergy CIS system for Synergy to bill the customer. The bill prints that the amount is estimated. (2) Refer (1) for the process. The Manager Retail Systems and Operations informed us that she is not involved in the process as the estimation is generated at Western Power and the estimated amount is sent directly to Synergy CIS. Noted that neither the Manager Retail Systems and Operations or the Contract Coordinator Customer Network Services have procedures that map out the process for estimating energy. (3) and (4) Performed by Synergy. Findings: (1) No procedures documented for the process of estimation of electricity usage. (2) No SLA in place to address these obligations. Recommendations: (1) HP should develop procedures for the process undertaken to estimate electricity usage. (2) The SLA should include required compliance with obligations 366, 367 and 404. (3) SLA should include access to WP's policies and procedures with regards to substitution/replacement/estimation of energy data.	SLA between HP and WP CA-20.2.4
385 386 388 410				A network operator must, within 6 months from the date this Code applies to the network operator, develop, in accordance with the communication rules, an energy data verification request form. An Energy Data Verification Request Form must require a Code participant to provide the information prescribed. A network operator must comply with any reasonable request by a Code participant to undertake either a test or an audit of the accuracy of the metering installation or the energy or standing data of the metering installation. If a network operator makes an election for the electricity networks corporation to be its metering data agent in relation to a network, then, except to the extent that the metering data agency agreement provides otherwise, the parties must undertake the activities prescribed.	Probable	Moderate	Medium	Manager Retail Systems and Operations Manager Commercial Customer Services	No Control Identified	(1) Obtain a copy of the Energy Data Verification Request Form: (a) to confirm that it contains the information specified; and (b) Obtain evidence that the form was developed within 6 months from the date the Electricity Industry Metering Code became applicable to Western Power. (2) Obtain a list of all data verification requests received from retailers during the audit period. (3) Select a sample and test that energy data was provided within 5 business days after receiving the data verification request. (4) Obtain a list of all requests retailers and customers for a test/audit of the accuracy of the metering installation or energy/standing data of the metering installation. Check that the test/audit was conducted in a timely manner and the results were communicated to the retailer/customer.	Weak	3	4	(1) (2) and (3) The Manager Retail Systems and Operations and the Manager Commercial Customer Services was not aware of existence of data verification request form. Upon further inquiry with the Manager Commercial and Customer Services, it was noted that WP are the regulated operator subject to the access regime and the energy data verification is not a request that HP is asked for. (4) Customer calls the Synergy Call center and put through a request for a test of the accuracy of the meter, the CSR will enter the work order in CIS. The written request will be sent to the Manager Retail Systems and Operations, (Alana Davies). Subsequently, she will arrange for a WP meter reader to perform a test on the meter. The Manager Retail Systems and Operations informed that there has been no tests performed since 2005. Findings: The SLA or agreement with Western Power does not address this obligation. Recommendations: The SLA between HP and WP should address obligation 385-410.	N/A

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408				A network operator must ensure the accuracy of estimated energy data in accordance with the methods in its metrology procedure and ensure that any transformation or processing of data preserves its accuracy in accordance with the metrology procedure.	Probable	Moderate	Medium	Manager Retail Systems and Operations	No Control Identified	(1) Interview key personnel to obtain an understanding of the process for estimating energy data. (2) Confirm that the Metering Business System has the functionality to identify erroneous data or estimated energy that has been processed inaccurately.	Weak	4	2	(1) The meter reader is unable to read the meter at the property due to reasons such as the locked meter, access difficulty etc. The meter reader leaves a card on the premise stating that the bill will be estimated. The meter reader uses a hand held device (Metron) and enters the code for the reason of inability to access the premise. This information is sent through via Western Power MBS System. WP generates an estimated amount using the MBS system by WP, the estimated amount flows through to the Synergy CIS system for Synergy to bill the customer. The bill prints that the amount is estimated. (2) The Metering Business System belongs to Western Power. Findings: There is no SLA between HP and WP that addresses this obligation. Recommendations: SLA between HP and WP should stipulate obligation requirement 408.	N/A
343				A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list.	Probable	Moderate	Medium	Contractor, Network Customer Services	Existence of SLA with Western Power	(1) Enquire with the key personnel in charge of metering on publication process. Document the process and obtain evidence and approvals that the metering installation provider list is reviewed and updated (if necessary) on an annual basis. (2) Check Horizon Power's website to confirm that a list of registered metering installation providers is published, which includes the specified details.	Weak	3	4	(1) HP have their own electrical contractors to install meters. Noted that there is no process in place to review and approve the metering installation provider list on an annual basis. (2) No, the list of registered metering installation providers has not been published on the HP website. Findings: (1) No process in place to review and approve the metering installation provider list on an annual basis and this is not documented in network procedures. (2) List of registered metering installation providers are not published on the HP website. Recommendations: (1) HP should review and approve the metering installation provider list on an annual basis. This procedure should be documented. (2) The list of registered metering installation providers should be published on HP website.	N/A
3. SUPPLY QUALITY & RELIABILITY															
448				A distributor or transmitter must make available, at no cost, a copy of a document setting out its complaint handling processes to a small customer who makes a complaint to the distributor or transmitter or who asks to be given such information.	Likely	Moderate	High	Manager Retail Systems and Operations	Information available on website and Customer Service Charter and via 13 23 51	(1) Check the Horizon Power website and Customer Service Charter to confirm that complaints handling procedure information have been provided to small use customers.	Strong	2	5	(1) The HP website and HP Customer Service Charter was sighted. The complaints handling procedure and information is published for small use customers. Findings: None Noted Recommendations: None	Complaints handling procedure on HP website CA-20.3.5 HP Customer Service Charter CA-20.3.4 p.24
440 441				A distributor operating a relevant distribution system must, in specified circumstances make a payment to a customer within a specific timeframe: - if a supply interruption exceeds 12 hours. A distributor operating a relevant distribution system must provide eligible customers with information about applying for payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	Likely	Moderate	High	Manager Retail Systems and Operations	Information is available on website and via 13 23 51. • A menu option is also on the 13 23 51 faults number for forms to be automatically mailed to customers upon request. • Information on the process and information required is included with each application form.	(1) Interview key personnel to obtain an understanding of the payment process in relation to a supply interruption exceeding 12 hours. (2) Obtain a list of customers affected by a supply interruption exceeding 12 hours during the audit period. Select a sample of customers for testing, to confirm that compensation was paid to the customer within the specified timeframes- 3 days. (3) Check the Horizon Power website and Customer Service Charter to confirm that information is provided to customers in relation to applying for payments when Horizon Power fails to meet notice requirements.	Strong	2	4	(1) For customers experiencing an outage of 12 hours or more HP makes a compensation payment upon customer application. The customer completes an 'Extended Outage Payment Scheme Form' obtained from the HP website or from Synergy Call Center. The form is sent to HP - Manager Retail Systems and Operations. The information on the form is entered in the EOPS system on Lotus Notes. The information is uploaded and reconciled against CIS overnight. This reconciliation determines whether the outage occurred more than 12 hours and if the customer is entitled to a claim. Noted that sometimes customers are not reimbursed for one of the following reasons: - customer exaggerates and the outage was not actually for 12 hours; - customer lodges too late (not within timeframe specified); and - duplicated claim. If the customer is entitled a claim, a check is generated from ELIPSE system (HP), then sent out from HP through the Finance department. (2) 25 Samples were selected from EOPS. Testing was performed to check that payments were sent out to customers within 3 months of receipt of claim. 3 instances were identified whereby payments were made more than 3 months after claim received. (3) The Horizon Power website and Customer Service Charter was sighted. Review identified that the Customer Charter does not state Findings: (1) 3 of 25 instances identified where payments were not sent to customers within 3 months of receipt of claim. Recommendations: (1) HP should endeavor to make payments to customer who are entitled a claim within the specified timeframe of 3 months.	Extended Outage Payment Scheme Form CA-20.3.1 Compensation uploaded onto EOPS Screen Print CA-20.3.2 Population listing for compensation payments CA-20.3.23 Testsheet 440 D10.2 Horizon Power Website CA-20.3.3 Customer Service Charter CA-20.3.4
439 275 274				A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe for a failure to give required notice of planned interruption. A distributor must keep a record of the customer complaint indicators specified. A distributor must keep a record of the total number of payments made under the compensation indicators specified.	Likely	Moderate	High	Manager Retail Systems and Operations	Existence of log to register complaints from customers who did not receive notices of planned interruptions. Existence of a system to monitor, review and pay affected customers.	(1) Interview key personnel to obtain an understanding of the process in relation to making payments to customers within a specified timeframe for a failure to give required notice of a planned interruption. (2) Obtain a list of all compensation claims, in relation to planned outages, submitted to Horizon Power. (3) Select a sample of compensation claims and confirm that the compensation (\$20) was paid within 30 days. (4) Confirm that Horizon Power retains a record of the total number of compensation payments made for planned interruptions and failure to acknowledge/ respond to queries/complaints within 10 business days and 20 business days respectively.	Strong	2	4	(1) The \$20.00 payment for failure to notify customers for planned interruptions is rare. The customer contacts Synergy Call center to inform that they did not receive a notice. The Call Center informs HP of the customer and supply address. HP contacts the relevant depot to make sure that they did not inform the customer i.e. did not leave the letter drop at the house or phoned them (esp. in rural areas where housing is far apart). If the depot verifies that they haven't informed the customer of the planned interruption, HP will credit the customers account - there is no formal application form. (2) & (3) HP informed us that no claim has occurred in the last two years. (4) Noted that HP do not keep a record as there has not been no claims. Response time to queries/ complaints are recorded on the HP complaints register. Findings: None Noted Recommendations:	N/A None
446 447				A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements. A distributor or transmitter must report the results of an investigation to the customer concerned.	Probable	Minor	Low	Manager Retail Systems and Operations	No Control Identified	(1) Enquire with the personnel in charge of handling the customer requests with regards to investigation in relation to supply quality standards.	Weak	5	4	(1) The customer calls Synergy Call Center to inform of a fault to their meter. A job will be raised / logged through the CIS and Networks will take it from there and instruct the Field Officer of the job order to investigate. Findings: None Noted Recommendations: None	N/A

ERA Compliance Reporting Manual Ref.	Licence Condition	Obligations Condition	Under	Description	Likelihood	Consequence	Inherent Risk	Process Owner(s)	Applicable Controls	Audit Procedures	Adequacy of existing Controls	Audit Priority (1=High, 5=Low)	Compliance Rating (1=Non compliant, 5=Compliant)	Results	Work paper Reference
431				A distributor or transmitter must, as far as reasonably practicable, ensure that the supply of electricity is maintained and the occurrence and duration of interruptions is kept to a minimum.	Likely	Moderate	High	Manager Commercial & Customer Services Networks Manager - Pilbarra	Trouble Call Fault Management System (TCFMS) - where all faults are monitored and recorded. KPI's set on measures for customer interruptions.	(1) Interview key personnel to obtain an understanding of the process in relation to maintaining reliable quality electricity supply and how energy outages are planned and managed. (2) Obtain a list of all planned and unplanned electricity outages that occurred during the audit period. Select a sample of dates for planned and unplanned electricity outages. Enquire about the disruption in electricity supply and obtain evidence of the incident being managed efficiently and resolved in a timely manner.	Moderate	2	4	(1) Trouble Call Management System (TCMS) is currently used to monitor all customer outage notifications including start time, crew dispatch time and fault completion time. The system also monitors temporary fixed, electrical hazards and the data is used to collate the reliability figures for the month. The Manager Commercial & Customer Services noted that well established industry KPI's are set. The system measures the length of customer interruption and this gets reported each month. This is documented in the Business Report. Networks maintains outages to a limit of 4 hours. For commercial and industries, outages are planned on the weekends and residential outages are usually planned on weekdays to minimise the impact of disruption. Glove and barrier techniques are used in some depots to minimise outages. The circuit breaker opens when there is a fault and the feeder control will auto reclose after a while, if the fault still exists it will open again and auto-reclose until the fault goes away. If a voltage line trips, an automatic signal is sent to the control center and the crew will be sent out to investigate. Under fault conditions, HP will supply from different points. Contingency plan is in place for most assets, if the asset fails it will be replaced. (2) Testing was performed on planned and unplanned outages. The cause and resolution and duration of the outage was determined Findings: None Noted Recommendations: None	Network Customer Services Division Summary Business Report August 2007 CA-20.3.16 Network Customer Services Division Summary Business Report December 2007 CA-20.3.17 Network Customer Services Division Summary Business Report January 2008 CA-20.3.18 Karratha Depot Contingency Plan 2008 CA-20.3.19 Emergency Plan Part 1 CA-20.3.13 Emergency Plan Part 2 CA-20.3.14 Emergency Plan Part 3 CA-20.3.15 Testsheet 431 Planned and Unplanned D10.4 and D10.5
445				A distributor or transmitter must keep records of information regarding its compliance with specific requirements for the period specified.	Probable	Moderate	Medium	Manager Customer and Commercial Services Knowledge Management Officer	Distribution Management System used to retain records of information	(1) Interview key personnel to obtain an understanding of Horizon Power's record keeping processes and requirements. (2) Obtain a copy of Horizon Power's record keeping plan and evidence that it has been approved by the Minister of Energy. Obtain other relevant documented policies and procedures in relation to the retention and archiving of records. (3) Generate system reports to confirm that records are retained for at least the minimum retention period.	Moderate	4	3	(1) The Knowledge Management Officer noted that there is a knowledge management policy in place. Records Management and Document Management procedures are in place. (2) The HP record keeping plan is in draft and has been approved by the Minister of Energy. The draft record keeping plan is HP's response to the commitment to re-badge the adopted recordkeeping plan by 31 March 2007. HP are currently using the State Record retention and disposal schedule for HR, Admin and Finance. HP are also using the WP retention and disposal schedule. The Knowledge Management Officer noted that they will develop their own retention and disposal schedule after the upgrade of their DMS that will take place at the beginning of next year. A procedure for the archiving of records is in place. (3) An archiving register is maintained. Anything that is archived is sent offsite. A register of the documents is attached to the box to be moved offsite. The box will be destroyed in accordance to the longest archiving document in the box. e.g. a box will contain records to be kept for 4, 6, or 10 years. - the box will therefore only be destroyed after 10 years. Findings: HP retention and disposal schedule has not been developed. Recommendations: HP should develop their own set of retention and disposal schedule upon upgrade of DMS.	Knowledge Management Policy CA-20.3.6 Records Management and Document Management Procedures CA-20.3.7 Minister of Energy Approval CA-20.3.8 HP Draft Record Keeping Plan CA-20.3.9 State Records Retention and Disposal Schedule, HR CA-20.3.20 State Records Retention and Disposal Schedule, Admin CA-20.3.10 State Records Retention and Disposal Schedule, Finance CA-20.3.11 WP Retention and Disposal Schedule CA-20.3.12

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451 452				A distributor or transmitter must prepare and publish a report about its performance in accordance with specified requirements. A distributor or transmitter must give a copy of its report about its performance to the Minister and the Authority within the specified period.	Unlikely	Minor	Low	Manager Customer and Commercial Services		(1) Interview key personnel to obtain an understanding of the performance reporting process. (2) Obtain a copy of the 2006/07 report to confirm that Horizon Power complied with their performance reporting requirements.	Moderate	5	5	(1) Reporting process is performed annually through the annual report. (2) HP Annual Report 2006 and HP Annual Report 2007 were obtained. Findings: None Noted Recommendations: None	HP Annual Report 2006 CA-20.3.22 HP Annual Report 2007 CA-20.3.21
281 282				A distributor must keep a record of the total number of customer connections established and customer connections not established within the period prescribed by the Code of Conduct or by the agreed date with the customer. A distributor must keep a record of the street light faults and repair indicators specified.	Probable	Moderate	Medium	Contract ordinator, Network Customer Services	Existence of a system to record connections made, street light faults and repairs.	(1) Sight the records kept during scope period for: (a) Total number of customer connections established and customer connections not established within the period prescribed by the Code of Conduct or by the agreed date with the customer; and (b) Street light faults and repair indicators specified. (2) Enquire with relevant personnel how the accuracy and completeness of 1(a) and (b) is verified and obtain supporting evidence of such verification.	Moderate	4	4	(1) (a) Noted that HP are currently not getting information regarding connections for customers and reports specific to HP. The data exists however have not started to keep a record. (b) As above. (2) Unable to confirm. Findings: (1) Records are not kept for: (a) The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct or agreed with the customer; and (b) Street light faults and repair indicators specified. Recommendations: (1) HP should retain records for: (a) The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct or agreed with the customer; and (b) Street light fault repair indicators specified.	N/A
4. CUSTOMER SERVICE															
72	Electricity Industry (Obligation to Connect) Regulations regulation 3	Electricity Industry (Obligation to Connect) Regulations regulation 4		A distributor must attach or connect premises to a distribution system if a retailer or customer takes certain action and the circumstances in regulation 5(1) of the Electricity Industry (Obligation to Connect) Regulations exist.	Major	Major	High	Contract ordinator, Network Customer Services	Quote is given to the customer. Application made to the ERA, if job is outside HP licence area.	(1) Document the process for connecting a customer. (2) Select a sample of customer requests/ applications to connect to a distribution system. Select samples for jobs within and out of HP's licence area. (3) Check that the customer is given a quote and is connected. If not, enquire the reason and check that HP are not obliged to connect under regulation 5(1). (4) For jobs out of HP's licence area, check that an application to the ERA is submitted. (5) Obtain policies and procedures that stipulate this requirement. If connections is outsourced, obtain the SLA stipulating this requirement. Confirm whether HP receives compliance/ incidents reporting from WP. If yes, select a sample of reports for assessment.	Moderate	2	4	(1) Customers who wish to be connected can either log onto the HP website to fill out the application form or directly call Synergy. Customer details are entered into CIS, where a customer reference number is created. Data in CIS, automatically updates MBS. Customers have the responsibility to contact an electrician to commence connection, whereby a Preliminary Notice form is filled out by the electricians. Preliminary notices are entered into MBS by the Energisation Admin Team at HP and is matched against CIS. Once the job is completed, electrician fill out the Notice of Completion form, which is matched to the Preliminary Notice by the Energisation Admin Team and updated into MBS. (2), (3) and (4) Noted that HP receive a list of new connections for the month, however it is not possible to identify jobs where a quote has been given or if it was outside of the licence area. Quotes are used for big jobs and for incidents that were currently non-existing. HP does not currently provide power to areas outside their licence areas, but will be effective starting 1 July 2008. (5) No policies and procedures are in place. Outstanding Service Order Report is received. As a personal management tool the Contract Co-ordinator, Network Customer Services monitors active jobs in MBS. There is no outsourcing arrangement. Findings: (1) Policies and procedures do not exist. Recommendations: (1) Horizon Power should document policies and procedures that clearly specify obligation 72.	Service Order Outstanding report CA-20.2.1 Energisation Process CA-20.4.15 Preliminary Notice CA-20.4.16 Notice of Completion CA-20.4.17
73	Electricity Industry (Obligation to Connect) Regulations regulation 3	Electricity Industry (Obligation to Connect) Regulations regulation 5(5)		A distributor that is obliged to attach or connect premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must extend the distribution system to a suitable connection point.	Major	Major	High	Contract ordinator, Network Customer Services	Set standards are in place.	(1) Obtain policies and procedures that stipulate this requirement. If connections is outsourced, obtain the SLA stipulating this requirement and compliance reporting to confirm compliance to the obligation. Select sample reports for assessment. (2) Walkthrough an instance whereby HP is obliged to connect and has extended their distribution system to a suitable connection point.	Moderate	2	4	(1) Obtained Network Connection and Extension Manual, which sits as a draft and has not been approved. There is no outsourcing arrangement. (2) For instances where HP are obliged to extend their distribution system to a suitable connection point, an application is made by the customer. For the L298 Pink Lake Rd Esperance - Esperance Primary School, Horizon Power responded with a letter of offer which includes a quote, the description of work covered by the quotation, quotation acceptance form and drawings of work to be performed. Findings: Policies and procedures is only in draft form and have not been approved. Recommendations: (1) Policies and procedures should be approved.	Letter of offer - Esperance Primary School CA-20.4.18
74	Electricity Industry (Obligation to Connect) Regulations regulation 3	Electricity Industry (Obligation to Connect) Regulations regulation 5(6)		The capacity and standard of an extension must be adequate for the supply required and in accordance with accepted good industry practice as it would be applied by a prudent distributor.	Likely	Major	High	Contract ordinator, Network Customer Services	Set standards are in place.	(1) Obtain policies and procedures that stipulate this requirement. If connections is outsourced, obtain the SLA stipulating this requirement and compliance reporting to confirm compliance to the obligation (2) Enquire if accepted good industry practice has been developed and how they have been disseminated to relevant personnel.	Moderate	2	4	(1) Obtained Network Connection and Extension Manual, which sits as a draft and has not been approved. Obtained policies and procedures on field instruction procedures and standards manual that is followed by HP and WP. There is no outsourcing arrangement. (2) Good industry practice have been disseminated to relevant personnel through training courses and assessments. Findings: (1) Policies and procedures is only in draft form and have not been approved. Recommendations: (1) Policies and procedures should be approved.	Field Instruction Procedures and Standards Manual CA-20.4.19 Network Connection and Extension Manual CA-20.4.20
75	Electricity Industry (Obligation to Connect) Regulations regulation 6	Electricity Industry (Obligation to Connect) Regulations regulation 6		A distributor that is obliged to attach or connect premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must do so within a defined timeframe.	Likely	Major	High	Contract ordinator, Network Customer Services	Timeframe can be extended with customer through quoting process.	(1) Obtain a listing of connections. Select a sample, determine the date of request and the date in which the customer was connected. (2) Check that the customer was connected under the following time limit: (a) the end of the 20th business day after the time when the obligation arises; or (b) any later time to which the customer agrees in writing. (3) Obtain documented procedures for this requirement. (4) If connections is outsourced, obtain the SLA stipulating this requirement. Confirm whether HP receives compliance/ incidents reporting from WP. If yes, select a sample of reports for assessment.	Moderate	3	4	(1) Obtained listing of connections from 1 January 2007 to 31 March 2008. Data from the 1 April 2006 to 31st December 2007 was not available. The list of 'new connections' also includes customers that were previously disconnected and have reconnected after 12 months. (2) 25 samples were selected from MBS to check that customers are connected within the following time limit. There was one instance where connection was not performed until the 42nd day since the date of application. There was no evidence of a written agreement with the customer to connect on a future specific date. (3) Obtained energisation process. (4) There are no outsourcing arrangements. Findings: (1) On one incident, connection was not made by the end of the 20th business day. Recommendations: (1) If a connection can not be made by the end of the 20th business day, customer should agree in writing for a future date for connection.	Testsheet 75 D10.9 Energisation Process CA-20.4.15
76	Electricity Industry (Obligation to Connect) Regulations regulation 3	Electricity Industry (Obligation to Connect) Regulations regulation 7(1)		A distributor must energise premises in certain prescribed circumstances.	Likely	Major	High	Contract ordinator, Network Customer Services	No control identified	(1) Obtain procedures that document the prescribed circumstances in which premises need to be energised (Premises already attached). (2) If the service is outsourced, obtain the SLA stipulating this requirement. Confirm whether HP receives compliance/ incidents reporting from WP. If yes, select a sample of reports for assessment.	Weak	1	4	(1) Regulation Compliance Co-ordinator mentioned that there isn't any documented policies and procedures, however they have been gathered from the Act and embedded in the tables/rules in MBS. Horizon Power are in the process of getting a contractor to check for the completeness of the rules forced in the system. (2) There are no outsourcing arrangements. Regulation Compliance Co-ordinator mentioned Horizon Power may use contractors but retains ownership of jobs. Findings: (1) Policies and procedures do not exist. Recommendations: (1) Horizon Power should document policies and procedures that clearly specify obligation 76.	N/A

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77	Electricity Industry (Obligation Connect) Regulations regulation 8	Electricity Industry (Obligation to Connect) Regulations 8	Under Regulations	A distributor that is obliged to energise premises must do so within a defined timetable.	Likely	Major	High	Contractor, Network Customer Services	No control identified	(1) Obtain a listing of energisation. Select a sample, determine the date of request and the date in which the customer was re-energised. (2) Check that the customer was energised under the following time limit: (a) if the premises are within metropolitan area- (i) the end of the first business day after the day on which the application under regulation 7(1) is received if it is received before 3 p.m on a business day; (ii) the end of the second business day after the day on which the application under regulation 7(1) is received if it is received on a business day, but not before 3p.m., or on a day that is not a business day (b) If the premises are not within the metropolitan area- (i) the end of the fifth business day after the day on which the application under regulation 7(1) if it is received before 3p.m on a business day; (ii) the end of the sixth business day after the day on which the application under regulation 7(1) is received if it is received on a business day, but not before 3p.m., or on a day that is not a business day. (3) Obtain documented procedures for this requirement. (4) If service is outsourced, obtain the SLA stipulation this requirement. Confirm	Weak	1	4	(1) Obtained listing of energisations from 1 January 2007 to 31 March 2008. Data from 1 April 2006 to 31 December 2006 was not available. (2) 25 samples was selected from MBS to check that customers were energised under specified timeframes depending on the area and time of application. There was one instance where energisation was not completed within one business day. (3) Regulation Compliance Co-Ordinator mentioned that there isn't any documented policies and procedures, however they have been gathered from the Act and embedded in the tables/rules in MBS. Horizon Power are in the process of getting a contractor to check for the completeness of the rules forced in the system. (4) There is no outsourcing arrangement. Regulation Compliance Co-Ordinator mentioned Horizon Power may use contractors but retains ownership of jobs. Findings: (1) Policies and procedures do not exist. (2) Energisation was not completed within one business day after the day of which the application was received. No supporting evidence or reason for late energisation was available. (3) Horizon Power were not able to provide data from 1 April 2006 - 31 December 2006. Recommendations: (1) Horizon Power should document policies and procedures that clearly specify obligation 77. (2) Energisation should be completed within the timeframe stipulated under clause 77. If not, supporting evidence or reason for late connection should be documented. (3) Data regarding energisation of customers should be retained for audit purposes and future reference.	Testsheet 77 D10.8
216 217 215 218	Electricity Industry Act section 82	Code of Conduct clause 7.7(1) Life Support		A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified. A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment. A distributor who disconnects a customer's supply address for emergency reasons must provide a 24 hour emergency line and use its best endeavors to restore supply as soon as possible. A distributor must undertake the actions specified in circumstances where the distributor has been informed by a retailer or a relevant government agency that a person residing at a customer's supply address requires life support equipment.	Likely	Major	High	Manager Retail Systems and Operations	Customers on life support never get disconnected. Customers on life support are flagged in the CIS system requiring life support equipment and will never be disconnected for non-payment. A spreadsheet of customers on life support is developed and kept with the depot, for ease of referral when faults occur.	(1) Interview key personnel to obtain an understanding of the disconnections process for customers on life support equipment. (2) Walkthrough the process and obtain a copy of key policies, procedures and other relevant documents. (3) Check the Horizon Power website to verify that a 24-hour emergency line is provided/available to customers: (a) at the cost of a local call; (b) provides information on the nature of the emergency; and (c) an estimate of the time when supply will be restored. (4) Obtain a list of all customers identified with a Sensitive Load Indicator during the audit period. Select a sample for testing to check: (a) that customers on life support were not disconnected; and (b) customers were given at least 3 days notice of any planned interruptions.	Moderate	2	2	(1) 7.7 refers to customers on life support. Customers complete an application form and submits confirmation from the medical practitioner. Synergy enters that information into CIS so that it flags that the customer is on life support equipment, therefore can never be disconnected for non-payment. A confirmation letter is sent to the customer. A 24 hour faults line is documented on the confirmation letter sent by Synergy. Information of customers on life support is sent to HP and HP update their spreadsheet of Customers on Life support equipment. This spreadsheet is sent out to the Depot as an extra precaution instead of having to search through CIS. (2) Policies and procedures are with Synergy. For process overview and walkthrough, refer to (1) (3) EY sighted to the HP website and noted that the 24 hour line is available but further information in (a) (b) and (c) were not available. (4) (a) 10 Samples were selected from the listing of a total of 33 customers on life support equipment. EY sighted to the CIS system and noted that the customer has never been disconnected for non-payment. (b) When an outage is planned, customers on life support equipment will be notified via telephone or letter at least 3 days in advance. Findings: (1) HP do not have policies and procedures in place for the disconnection of customers on life support equipment. Recommendations: (1) HP should obtain a copy of Synergy procedures for customers on life support equipment to check that	Confirmation letter sent to customer. CA-20.4.3 Spreadsheet of Customers on life support. CA-20.4.1 HP Website CA-20.4.7
221				A distributor must reconnect the customer's supply address upon the request of a retailer, within the timeframes specified.	Likely	Moderate	High		No Control Identified	(1) Interview key personnel to obtain an understanding of the reconnections process. (2) Walkthrough the process and obtain a copy of key policies, procedures and other relevant documents. (3) Obtain a list of all reconnections during the audit period. Select a sample for testing to confirm that the reconnection occurred within the specified timeframes.	Moderate	2	4	(1) HP should obtain a copy of Synergy procedures for customers on life support equipment to check that (1) The customer contacts the Synergy call center. The Call centers puts the job on CIS. The job flows into the Western Power MBS for their staff to attend to the reconnections within the specified timeframes.. Noted that reporting of reconnections within timeframes specified as a report from WP is still not obtained. Meanwhile the reporting comes through service orders. (2) Noted that the SLA between Synergy/ WP and HP do not stipulate the reconnection timeframes and the rules under the code. (3) Performed at Synergy. Testing not required. Findings: (1) No reporting protocols have been established between Synergy and Horizon Power. Recommendations: (1) HP should request reporting of the customers who are not connected within the timeframes stipulated in the code on a pre-determined interim basis.	N/A
222				A distributor must create and maintain a Priority Restoration Register.	Likely	Major	High		No Control Identified	(1) Enquire and obtain a copy from key personnel, the policies and procedures in relation to the Priority Restoration Register. (2) Confirm that a responsible person has been assigned to maintain/review the register on a regular basis. (3) Obtain a copy of the Priority Restoration Register for the audit period. In addition, obtain a copy of other key documents used in the process.	Moderate	2	5	(1) Policies and procedures are not in place for the priority registration register however priority registration registers are in place for each site. The priority restoration register lists which supply address will be restored first. i.e. Hospitals, customers on life support equipment. (2) Feeder priority is incorporated into the Asset Management Plan. The Networks asset management plan states that as part of the yearly review, the District Networks Asset Officer reviews the priorities and determine if any changes need to be made. (3) Priority Restoration register was obtained for West Kimberley Findings: None Noted Recommendations: None	Network Asset Management Plan, West Pilbara CA-20.4.8 Network Asset Management Master Plan CA-20.4.9 West Kimberley's Priority Spreadsheet CA-20.4.10
223				The Priority Restoration Register must comply with any criteria determined by the Minister.	Likely	Moderate	Medium	Manager Regulation	No Control Identified	(1) Interview key personnel and enquire whether the Minister has given any direction for Horizon Power to comply with specific criteria. (2) Enquire if the Priority Restoration Register complies with the criteria specified by the Minister by reviewing the register and relevant key documents.	Moderate	2	5	(1) The Manager Regulation, Compliance noted that they have not received direction from the Minister to comply with specific criteria in relation to the Priority Restoration Register. (2) N/A Refer to No. 1 Findings: None Noted Recommendations: None	
249 250 251 252				A distributor must, on request, give a customer its consumption data. A distributor must give a customer the requested consumption data at no charge in the circumstances specified. A distributor must give a customer the requested consumption data within 10 business days of the receipt of the request or payment of the distributor's reasonable charge for providing the consumption data. A distributor must keep a customer's consumption data for seven years.	Likely	Minor	Medium	Manager Retail Systems and Operations	• Electronic data stored as per record management obligations. • Data Provision Business Processes	(1) Interview key personnel to obtain an understanding of the process for handling customers' request for consumption data. (2) Walkthrough the process and obtain a copy of key policies, procedures and other relevant documents. (3) Obtain a list of all customer requests for consumption data during the audit period. Select a sample and perform testing to confirm: (a) it was provided free of charge; (b) the requested data was provided within 10 business days of the receipt of the request or payment of the distributor's reasonable charge for providing the consumption data; and (c) customers' consumption data is retained for seven years.	Moderate	4	4	(1) The customer contacts the Synergy call center to request for their data consumption over a specified period. The CSR at Synergy call center or the Manager Pricing Systems and Operations obtain the information from CIS and reply with an email giving them a written response outlining their consumption. (2) Not included in HP procedures. Procedures are not detailed in the SLA between HP and Synergy but part of core service areas in the SLA. (3) Noted that it occurs at Synergy Call center. However it has occurred once where the customer contacted HP directly. The Manager Retail Systems and Operations replied with the customers consumption data via email. Findings: (1) Obligation is not documented in HP procedures or in SLA between HP and Synergy. Recommendations: (1) Obligations number 249, 251 and 252 should be documented in HP's own set of procedures. (2) SLA between HP and Synergy should stipulate obligations 249 - 252.	Written response to customer CA-20.4.2 SLA between HP and Synergy CA-20.5.8

ERA Compliance Reporting Manual Ref.	Licence Condition	Obligations Condition	Under	Description	Likelihood	Consequence	Inherent Risk	Process Owner(s)	Applicable Controls	Audit Procedures	Adequacy of existing Controls	Audit Priority (1=High, 5=Low)	Compliance Rating (1=Non compliant, 5=Compliant)	Results	Work paper Reference
248 256 253 254 419				A distributor must give a customer on request, at no charge, the specified information that is particular to a distributor. A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Code of Conduct. A distributor must, on request, tell a customer how the customer can obtain information on distribution standards and metering arrangements that are relevant to the customer. A distributor must publish information on distribution standards and metering arrangements on the distributor's website. A network operator must notify each Code participant of its initial contact details and of any change to its contact details at least 3 business days before the change takes effect.	Likely	Minor	Medium	Manager Retail Systems and Operations Technical Manager Networks Branding and Promotions Manager Networks Manager, Kimberley	General enquiries are recorded in CIS and categorised according to the enquiry type. If the information required is not available then the enquiry is allocated to an appropriate expert within the business. All enquiries are individually tracked by CIS to ensure they are resolved in an appropriate timeframe. Information on Horizon Power's requirements is also found on Horizon Power website. The Call Centre has an established knowledge base to ensure the correct and most up to date information is being passed to customers. Customers' right to information is also emphasized in the Customer Charter available from Horizon Power's website.	(1) Interview key personnel to understand the process of providing distributor-related information to customers. (2) Walkthrough CIS to understand the type of information captured and how customer requests are managed. (3) Obtain the performance report in relation to managing customer enquiries. Enquire about the monitoring processes and actions taken to address areas of poor performance. (4) Check the Horizon Power website to check that the following is published and made publicly available: - Customer Charter; - Code of Conduct; - Distribution standards; and - Metering arrangement information. (5) Enquire with the relevant key personnel on the notification process on its initial contact details and changes in its contact details. Determine if the network operator was timely in its initial notification process. Check whether there were any changes in its contact details during the audit period. If there is, check to determine if notification took place at least 3 days before the change took effect. (6) Discuss with key personnel and document the disclosure process relating to confidential information.	Moderate	4	4	(1) The Manager Retail Systems and Operations noted that information will be provided upon request by customer via email or telephone. (2) The customer requests for information through CSR's in Synergy. Depending on the work load of the CSR's, the request may be forwarded on to the retail mailbox, where retail personnels goes into CIS and contacts the customer. (3) An SLA Performance report is prepared by Synergy each month. An overall level of performance is recorded for each month but there is no detailed breakdown. (4) The HP website was sighted, the following information was made available: - Customer Charter - Code of Conduct - Metering arrangement information The distribution standards are not published on the HP website. The Technical Manager Networks noted that they will hyperlink to the WP website which hyperlinks to the Australian Standard document from the Electricity Association of Australia. Noted that they publish national standards for supply voltage etc. (5) The Branding and Promotions Manager (Andrew Riches) noted that when there is a change in contact details, information is mailed out to all stakeholders including contractors, clients, yellow pages and directories. For the change in contact details specific to Broome the office and depot was shifted to McDonald Road, Broome in July 2007. The Technical Manager, Networks noted that the telephone number, fax number and postal address was not changed and only the location was changed. No procedures are documented to stipulate the process of a change in contact details. (6) A privacy policy is in place at Synergy. Synergy staffs are trained on the privacy policy. Findings: (1) Distribution standards are not published on HP Website. (2) No procedures are documented to stipulate the process for a change in contact details. Recommendations: (1) Distribution standards should be published on the HP website. (2) Procedures should be documented to stipulate the process undertaken for a change in contact details.	SLA Performance Report CA-20.4.4
267 296 272 301 302 273				A distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes. A distributor must acknowledge and respond to a written query or complaint by an eligible customer within timeframe specified. A distributor who receives a complaint that does not relate to its functions, must refer the complaint to the appropriate entity and inform the customer of the referral. A distributor must keep a record of each complaint and provide information regarding the complaint to the Authority or electricity ombudsman upon request. A distributor must keep records of complaints and dispute resolution for at least three years after the date on which the complaint was resolved. A distributor must keep a record or other information as required to be kept by the Code of Conduct for at least two years from the last date on which the information was recorded, unless expressly provided otherwise.	Likely	Moderate	Medium		Established complaints handling system CIS where all complaints are automatically tracked and resolution times reported monthly. HP Complaints Policy	(1) Discuss with key personnel regarding the complaint handling process at Horizon Power. Obtain documented policies and procedures for the process. (2) Obtain the complaint register and select a sample of complaints during the scope period. Determine if Horizon Power has acknowledged and responded to a written complaint within the specified timeframe. (10 working days and resolution within 20 business days from after the 10)	Moderate	3	2	(1) All complaints are tracked in CIS. Resolution times are reported monthly. Horizon Power complaints policy is in place, creation date 31/01/08. Review of the complaints policy identified that it did not include the following obligations: - a distributor must keep a record of each complaint and provide information regarding the complaint to the Authority or electricity ombudsman upon request. - a distributor must keep a record of each complaint and provide information regarding the complaint to the Authority or electricity ombudsman upon request. - a distributor must keep a record or other information as required to be kept by the Code of Conduct for at least 2 years from the last date on which the information was recorded, unless expressly provided otherwise. (2) Acknowledgement within 10 working days and resolution within 20 business days from after the 10. Complaints database register. Findings: (1) 1 of 10 instances whereby the customer was not acknowledged within 10 working days of when the complaint was issued. 6 instances whereby date in which customer acknowledged was not documented, however noted that this has been rectified upon review of the complaints register in 2008. (2) 2 instances of 10 whereby complaint was not closed within 30 days of customer complaint and no comment to explain why. (3) Synergy complaints policy is not comprehensive and does not include the required obligations listed above. Recommendations: (1) HP should endeavour to respond to customer complaints within 10 working days. (2) HP should endeavour to resolve complaints within 30 days from the date of receipt of complaint. If this is not possible, the reason should be documented. (3) The HP complaints policy should document the required procedures specific to obligations 267, 269, 272 and 273.	Financial Hardship Procedures CA-20.4.5 Complaints database register CA-20.4.6 Testsheet 296 D10.1
427				If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	Probable	Moderate	Medium	Manager Pricing and Analysis Manager of Regulation Services	No Control Identified	(1) Obtain a list of disputes that occurred during the audit scope period. (2) Select a sample of resolved disputes for testing from reports generated from CIS. (3) For disputes resolved by representative negotiations, senior management negotiations or CEO negotiations, obtain evidence of a written and signed record of the resolution.	Moderate	4	4	(1) (2) & (3) The Manager Pricing and Analysis noted that within the audit period, no dispute that has been escalated to that level. Review of the complaints policy identified that the obligation was not stipulated. Upon further inquiry with the Manager of Regulation Services, it was noted that no disputes have been escalated to that level within the audit period. Disputes / Complaints have been resolved at officer level. Findings: Dispute handling escalation process is not documented in the complaints policy 31/01/08. Recommendations: The HP policy should be updated to include the dispute handling and escalation process as required by obligation 427.	Complaints policy CA-20.5.13
5. RETAIL															
218	Electricity Industry Act section 82	Code of Conduct clause 7.7(1)		A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.	Probable	Major	High	Manager Pricing and Analysis	Register of customers who require life support. Billings system has flags for customers on life support system (e.g. for when there is non-payment) Customers on life support system are not disconnected for non-payment. When there is a power outage or a fault, customers on life support system are the first to get reconnected and receive priority. DMS document in place for process to handle customers on life support system.	(1) Obtain procedures regarding actions specified for retailers where a person residing at the customer's supply address requires life support equipment. (2) Discuss with key personnel on the actions taken upon receipt of confirmation that a person residing at the customer's supply address requires life support equipment. (3) Obtain the register of customers during the audit scope period who require life support equipment. Select a sample and check that the billing system flags the sampled customers on life support system; (4) Obtain a listing of customers who had been disconnected during the audit scope period. Select a sample of customers who got disconnected during the scope period and check that customers who require life support had not been disconnected for non payment and has priority for reconnection during power outage/ fault.	5	2	4	(1) Procedures for actions specified for retailers where a customer's supply address requires life support equipment is with Synergy. (2) Customers complete an application form and submits confirmation from the medical practitioner to Synergy. Synergy enters that information into CIS. CIS will flag that the customer is on life support equipment, therefore can never be disconnected for non-payment. A confirmation letter is sent to the customer. Customer on life support information gets sent to HP and HP update their spreadsheet of Customers on Life support equipment. This spreadsheet is sent out to the Depot as an extra precaution instead of having to search through CIS if a fault or outage occurs. A 24 hour faults line is documented on the confirmation letter sent by synergy. (3) 10 Samples were selected from the listing of a total of 33 customers on life support equipment. EY sighted to the CIS system and noted that the customer has been flagged as requiring life support equipment. (4) 10 Samples were selected from the listing of a total of 33 customers on life support equipment. EY sighted to the CIS system and noted that the customer on life support equipment has never been disconnected for non-payment. All customers have priority for reconnection during an outage as they are flagged on CIS and a listing is kept of customers on life support at the depot and at HP. Findings: (1) Procedures for customers on life support equipment are with Synergy. HP do not retain a copy. Recommendations: (1) A copy of Synergy procedures on life support equipment should be obtained, reviewed and kept at HP. HP should review those procedures to ensure that it meets the requirements of the relevant clauses and obligations.	Confirmation letter sent to customer. CA-20.4.3 Spreadsheet of Customers on life support. CA-20.4.1

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227 228	Electricity Industry Act section 82	Code of Conduct clause 9.5(1)		A retailer must not operate a pre-payment meter at the supply address of a residential customer if the residential customer, or a person residing at the residential customer's supply address, requires life support equipment. If a prepayment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must undertake the actions specified.	Probable	Major	High	Manager Pricing and Analysis	The billings systems- where a customer is on life support equipment, there is no option to select a prepayment meter. Policy which includes legislative requirement on pre-payment for residences with people that require life support equipment.	(1) Discuss if policies and procedures are in place to specify this requirement. (2) Discuss with key personnel the controls in place to confirm that prepayment meters do not operate at customer supply addresses that require life support equipment. (3) On the system, process an application for a customer on life support equipment, check that the option to select a prepayment meter is disabled. (4) Obtain a listing of customer's supply address that require life support equipment during the audit scope period. Select a sample and confirm through the billings system that a pre-payment meter is not operating at the supply address.	Moderate	2	4	(1) Policies and procedures that specify this requirement is with Synergy. The SLA does not specify this detail. (2) Noted that pre-payment meters are at remote communities. Field Officers go out to survey each supply address upon initial connection of the pre-payment meter. If someone else moves into that supply address, it is the onus of the new tenant to advise of the change. (3) HP is not able to process this application as they do not have application access and have view only access. Synergy performs this and sends the information through to HP of customers on life support. The Manager Retail Systems and Operations monitors this by listing all customers on life support in an excel spreadsheet. (4) A listing of all customers on life support equipment were run along with information on the type of meter at the supply address. None of the meter types are prepayment meter types. Findings: (1) Policies and procedures that specify this requirement is with Synergy. Once a prepayment meter is installed by HP, Synergy provides customer services for the customer on behalf of HP. It is not clear whether Synergy has procedures in place for prepayment Recommendations: (1) A copy of Synergy procedures on prepayment meters should be obtained, reviewed and retained at HP. Going forward, HP will rec	List of all customers on life support equipment CA-20.5.1 Spreadsheet of Customers on life support. CA- 20.4.1

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113	Electricity Industry Act section 82	Code of Conduct clause 2.1 Integrated Regional License condition 6.1 Retail License condition 6.1	A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct.	N/A	N/A	N/A	Manager Pricing and Analysis	N/A - HP does not use Marketers						
115	Electricity Industry Act section 82	Code of Conduct clause 2.3(1) Integrated Regional License condition 6.1 Retail License condition 6.1	A marketing representative must ensure that the information specified is provided to the customer before arranging a contract and that the customer is provided with a written copy of the contract on request.	N/A	N/A	N/A	Manager Pricing and Analysis							
117	Electricity Industry Act section 82	Code of Conduct clause 2.3(3) Integrated Regional License condition 6.1 Retail License condition 6.1	Where a standard form contract is entered into as a result of door to door marketing or for a non-standard contract (other than that initiated by telephone), a marketing representative must obtain the customer's written acknowledgement that the specified information has been given.	N/A	N/A	N/A	Manager Pricing and Analysis	HP do not conduct door to door marketing.						
118	Electricity Industry Act section 82	Code of Conduct clause 2.4(1) Integrated Regional License condition 6.1 Retail License condition 6.1	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must offer to provide the customer with a copy of the contract and, where this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible thereafter.	Probable	Moderate	Medium	Manager Pricing and Analysis Project and Sales Support Officer	Customer Satisfaction Survey sent to Synergy every 6 months. Customer complaints system- all customer complaints are logged into the register. HP print of daily reports of the customer complaints log to monitor the nature of complaints.	(1) Confirm if there is/ are responsible party assigned to monitor performance and compliance by service provider. (2) Enquire if the results of the customer satisfaction survey was obtained every 6 months. Obtain a copy. (3) Enquire if HP print a copy of the customer complaints log on a daily basis and gain an understanding of the review procedures and the actions undertaken to resolve the complaint. Obtain a copy.	Moderate	4	5	(1) The Manager Retail and Systems Operations is the responsible party assigned to monitor performance. (2) The results of the Customer Satisfaction Survey is sent to Synergy every 6 months. 3 Customer satisfaction surveys were obtained - September 2007, March 2007 and July 2006. (3) The Customer Complaints database was sighted by EY. The Manager Pricing and Analysis and the Manager Pricing System and Operations monitors the complaints reports. A compliance report was obtained.	Compliance Complaint Report CA-20.5.2 Customer Satisfaction Survey September 2007 CA-20.5.4 Customer Satisfaction Survey March 2007 CA-20.5.12 Customer Satisfaction Survey July 2006 CA-20.5.13
119	Electricity Industry Act section 82	Code of Conduct clause 2.4(2) Integrated Regional License condition 6.1 Retail License condition 6.1	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must give the information specified to the customer.	Probable	Moderate	Medium	Manager Pricing and Analysis Project and Sales Support Officer	Existence of CIS (Customer Information System which a list of tasks)		Moderate	4	5	Findings: None Noted Recommendations: None	
120	Electricity Industry Act section 82	Code of Conduct clause 2.4(3) Integrated Regional License condition 6.1 Retail License condition 6.1	In circumstances where a standard form contract is not entered into as a result of door to door marketing, a retailer or marketing representative must give the specified information no later than with or on the customer's first bill.	N/A	N/A	N/A	Manager Pricing and Analysis	N/A -HP do not conduct door to door marketing.						
121	Electricity Industry Act section 82	Code of Conduct clause 2.4(4) Integrated Regional License condition 6.1 Retail License condition 6.1	In circumstances where a standard form contract is entered into as a result of door to door marketing or a non-standard contract, a retailer or marketing representative must give the specified information and a copy of the contract before the customer has entered into the contract and must obtain a written acknowledgement that the information has been given.	N/A	N/A	N/A	Manager Pricing and Analysis							
122	Electricity Industry Act section 82	Code of Conduct clause 2.5(1) Integrated Regional License condition 6.1 Retail License condition 6.1	A marketing representative must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.	N/A	N/A	N/A	Manager Pricing and Analysis	N/A - HP does not use Marketers						
123	Electricity Industry Act section 82	Code of Conduct clause 2.5(2) Integrated Regional License condition 6.1 Retail License condition 6.1	A marketing representative must not exert undue pressure on a customer, nor harass or coerce a customer.	N/A	N/A	N/A	Manager Pricing and Analysis							
124	Electricity Industry Act section 82	Code of Conduct clause 2.5(3) Integrated Regional License condition 6.1 Retail License condition 6.1	A marketing representative must ensure that the inclusion of concessions is made clear to customers and any prices that exclude concessions are disclosed.	N/A	N/A	N/A	Manager Pricing and Analysis							
125	Electricity Industry Act section 82	Code of Conduct clause 2.5(4) Integrated Regional License condition 6.1 Retail License condition 6.1	A marketing representative must ensure that all standard form contracts that are entered into as a result of door to door marketing and all non-standard contracts are in writing.	N/A	N/A	N/A	Manager Pricing and Analysis	N/A - HP do not conduct door to door marketing.						
133	Electricity Industry Act section 82	Code of Conduct clause 2.6(7) and 2.6(8) Integrated Regional License condition 6.1 Retail License condition 6.1	Except in response to a customer request or query, a marketer must keep the specified records each time it initiates contact with a customer for the purposes of marketing.	N/A	N/A	N/A	Manager Pricing and Analysis							
135	Electricity Industry Act section 82	Code of Conduct clause 2.7(2) Integrated Regional License condition 6.1 Retail License condition 6.1	A marketer must keep a record of each customer who has requested not to be contacted, that includes the specified information.	N/A	N/A	N/A	Manager Pricing and Analysis							
139	Electricity Industry Act section 82	Code of Conduct clause 2.8 Integrated Regional License condition 6.1 Retail License condition 6.1	A retailer must comply with the National Privacy Principles as set out in the Privacy Act 1998 in relation to information collected under Part 2 of the Code of Conduct.	Probable	Moderate	Medium	Manager Pricing and Analysis	Existence of Service Level Agreement Reliance on Synergy: The Call Center Representatives in Synergy are trained in the Privacy Act - this is covered in the induction training. All customer calls are recorded. The Team Leader at Synergy will monitor all calls.	(1) Confirm if there is/ are responsible party assigned to monitor performance and compliance by service provider. Obtain the Service Level Agreement and check that the agreement stipulates compliance against this obligation. (2) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports - Customer survey/ complaints	Moderate	4	4	(1) The Manager Retail Systems and Operations is responsible to monitor performance by Synergy. SLA does not state obligation regarding the privacy act. (2) Noted that Synergy inform HP that the Call Center Representatives are trained in the Privacy Act which is covered in the induction training. Synergy also inform HP that the Team Leader at Synergy monitor all calls. HP tracks this obligation through the monthly compliance report from Synergy and through the complaints register. Findings: (1) The SLA does not state obligations regarding the privacy act. Recommendations: (1) Horizon Power should update SLA to specify obligations regarding the privacy act.	SLA between HP and Synergy CA-20.5.8 Complaints Register CA-20.5.7 Monthly Compliance Report CA-20.5.2
142	Electricity Industry Act section 82	Code of Conduct clause 4.1	A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist.	Likely	Minor	Low	Manager Pricing and Analysis	Horizon Power Billing and Collection Policy	(1) Enquire with key personnel on the billing process and confirm if there is/ are responsible party assigned to monitor performance and compliance by service provider, i.e. Synergy, that generates the bills on behalf of Horizon Power.	Strong	5	4	(1) Horizon Power Billing and Collection Policy in place. Reporting is not received from Synergy in relation to late billings for customers. (2) & (3) From the sample tested, all bills were issued within the specified timeframe and to the correct address. No exception noted.	Billing and Collection Policy CA-20.5.3 Testsheet 150 D10.6

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150	Electricity Industry Act section 82	Code of Conduct clause 4.4		A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.	Probable	Moderate	Medium	Manager Pricing and Analysis		(2) Obtain customer listing during the audit scope period. Select a sample of billings and check that Horizon Power has issued a bill no more than once a month and at least once every three months unless circumstances specified exists. (3) Check that the bill is sent to the customer's supply address, unless the customer has specified another address or an electronic address.	Strong	4	3	Findings: HP does not receive reporting from Synergy for customers that are billed late. Recommendations: (1) Horizon Power should introduce receiving reports relating to the licence obligation.	

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154	Electricity Industry Act section 82	Code of Conduct clause 4.6(2)		A retailer must give the customer information that explains to that customer how to read a meter correctly (if applicable) in clear, simple and concise language.	Unlikely	Minor	Low	Manager Pricing and Analysis	Letter sent to customer with instructions to read the meter.	(1) Obtain a copy of documented policies stipulating this requirement. (2) Through discussion, identify the process of informing the customer on how to read a meter.	Strong		5	(1) No documented policies on how to read a meter have been created. Instruction on how to read a meter is located on the Horizon Power website. (2) All Customer Service Representative (CSR) have been trained to walk a customer through on how to read a meter. The Manager Retail noted that in remote locations or premise with dogs, the meter reading won't be performed by the Field Officer. A letter is sent to the premise with the information on how to read the meter. Procedures on how to read a meter is located on the Horizon Power website. Findings: None noted Recommendation: None	Information on how to read a meter on customer bill CA-20.5.5 How to read a meter' procedures from website CA-20.5.6
157	Electricity Industry Act section 82	Code of Conduct clause 4.8(2)		A retailer must specify the stated information in circumstances where the customer's bill is estimated.	Probable	Minor	Low	Manager Pricing and Analysis	CIS generates an estimate based on historical data.	(1) Enquire with key personnel whether Synergy has provided the following reports to Horizon Power: - estimated billing made over a predefined period; and - amount of adjustment made over a predefined period.	Strong	5	4	(1) If meter reading cannot be obtained, CIS generates an estimate based on historical usage data or a manual estimate is performed by Synergy. All meters that have been estimated are recorded on the customer bill. Horizon Power do not receive the following reports from Synergy: - estimated billing made over a predefined period; and - amount of adjustment made over a predefined period.	Complaints register CA-20.5.7
158	Electricity Industry Act section 82	Code of Conduct clause 4.8(3)		A retailer must tell a customer, on request, the basis and reason for the estimation.	Probable	Minor	Low	Manager Pricing and Analysis	Notes written in customer account for reason and basis of estimation.	If reports are provided, select a sample of the reports and check that they have been reviewed by a key personnel in charge at Horizon Power. (2) Obtain a list of complaints during the audit scope period from CIS. Check if there are any complaints made with regards to either bill estimation or adjustments. (3) Enquire with key personnel if reason for estimation on the bills are automated. Select a sample of bills and check if reasons are printed on those bills.	Strong	5	4	(2) Obtained complaints register, where confirmation of complaints made in regards to either bill estimation or adjustments was not possible prior to Jan 2008, as detailed comments were not written in the complaints register. (3) For meters that have been estimated, a reason code is used for the CIS system. The reason for estimation does not appear on the issued bill. Noted that the basis and reason for the estimation is usually handled at the Synergy call center via telephone or in writing. The reason is documented as noted in the account. e.g. meter box locked, dog in house, access problems, self-reading customer failed to send back meter reading card, etc. Findings: (1) Complaint register did not provide comments on how complaints were resolved until Jan 2008. Unable to identify if any complaints Recommendations: (1) Horizon Power should introduce receiving reports relating to the licence obligation.	
159	Electricity Industry Act section 82	Code of Conduct clause 4.9		Where the retailer gives a customer an estimated bill and the meter is subsequently read the retailer must include an adjustment on the next bill to take account of the actual meter reading.	Likely	Moderate	High	Manager Pricing and Analysis			Moderate	2	4	(1) If meter reading cannot be obtained, CIS generates an estimate based on historical usage data or a manual estimate is performed by Synergy. All meters that have been estimated are recorded on the customer bill. Horizon Power do not receive the following reports from Synergy: - estimated billing made over a predefined period; and - amount of adjustment made over a predefined period. (2) Obtained complaints register, where confirmation of complaints made in regards to either bill estimation or adjustments was not possible prior to Jan 2008, as detailed comments were not written in the complaints register. (3) For meters that have been estimated, a reason code is used for the CIS system. The reason for estimation does not appear on the issued bill. Noted that the basis and reason for the estimation is usually handled at the Synergy call center via telephone or in writing. The reason is documented as noted in the account. e.g. meter box locked, dog in house, access problems, self-reading customer failed to send back meter reading card, etc. Findings: (1) Complaint register did not provide comments on how complaints were resolved until Jan 2008. Unable to identify if any complaints Recommendations: (1) Horizon Power should introduce receiving reports relating to the licence obligation.	
161	Electricity Industry Act section 82	Code of Conduct clause 4.11(1)		A retailer must request the distributor or metering agent to test the meter if a customer requests the meter to be tested and pays any reasonable charge of the retailer for testing the meter.	Probable	Moderate	Medium	Manager Pricing and Analysis	No Control Identified	(1) Enquire with key personnel whether Synergy has provided the following reports to Horizon Power: - number of meters tested over a predefined period; and - charges for testing meter over a predefined period; and - refunds made to the customers for defective meters.	Weak	4	2	(1) Horizon Power does not receive the following reports from Synergy and WP: - number of meters tested over a predefined period; and - charges for testing meter over a predefined period; and - refunds made to the customers for defective meters. (2) Obtained complaints register, where confirmation of complaints made in regards to refunds was not possible prior to Jan 2008, as detailed comments were not written in the complaints register. Manager Retail Systems and Operations mentioned that they have not received any customer requests for testing of their meters. In the event if a meter is defective, a refund is made to the customer. Findings: Horizon Power is compliant with the licence obligation. Complaint register did not provide comments on how complaints were resolved until Jan 2008. Unable to identify if any refund complaints were made prior to Jan 2008. Recommendations: (1) Horizon Power should introduce receiving reports relating to the licence obligation.	Complaints register CA-20.5.7
162	Electricity Industry Act section 82	Code of Conduct clause 4.11(2)		If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.	Probable	Moderate	Medium	Manager Pricing and Analysis	No Control Identified	If reports are provided, select a sample of the reports and check that they have been reviewed by a key personnel in charge at Horizon Power. (2) Obtain a list of complaints during the audit scope period from CIS. Check if there are any complaints made with regards to refunds made to the customers.	Weak	4	2	(1) For any outstanding credits that may appear in a customer's account closure, a customer may either call up and request for a refund or the system will raise a flag, where Credit Management (Synergy) will organise for the refund. (2) Horizon Power are unable to generate the list of accounts closed during the audit scope period. This is performed by Synergy. Horizon Power do not receive any form of reporting regarding license obligation 168. Findings: (1) No reporting protocols were established between Synergy and Horizon Power. Recommendations: (1) Horizon Power should introduce receiving reports relating to the license obligation.	
168	Electricity Industry Act section 82	Code of Conduct clause 4.15(2)		A retailer must repay the customer any amount in credit at the time of account closure.	Probable	Moderate	Medium	Manager Pricing and Analysis	No Control Identified	(1) Discuss the repayment of outstanding credits at the time of account closure to the customer. Walkthrough the process and obtain key documents. (2) Obtain a list of accounts closed during audit scope period. Select a sample (where there are credits outstanding), check that customers have been repaid by the retailer.	Weak	4	2	(1) For any outstanding credits that may appear in a customer's account closure, a customer may either call up and request for a refund or the system will raise a flag, where Credit Management (Synergy) will organise for the refund. (2) Horizon Power are unable to generate the list of accounts closed during the audit scope period. This is performed by Synergy. Horizon Power do not receive any form of reporting regarding license obligation 168. Findings: (1) No reporting protocols were established between Synergy and Horizon Power. Recommendations: (1) Horizon Power should introduce receiving reports relating to the license obligation.	N/A
171	Electricity Industry Act section 82	Code of Conduct clause 4.17(2)		A retailer must inform the customer of the outcome of the review of a bill as soon as practicable, but, in any event, within 20 business days from the date of receipt of the request for review.	Probable	Minor	Low	Manager Retail Systems and Operations	Existence of policies and procedures. Non compliance will lead to complaints via generation of the following reports: Daily reports generated through CIS. Monthly reports generated at Executive Level. Customer Service Level Report.	(1) Confirm if there is a responsible person to handle the customers' requests to review bills and obtain key documents for monitoring controls. (2) Obtain a listing whereby the customers have requested for review of issued bills. Select a sample and check that the retailer has reverted the outcome of the review of the bill within 20 business days from the date of receipt of the request for review.	Moderate	5	5	(1) Customer requests are handled by the Customer Service Representatives' at Synergy. (2) Horizon Power are unable to generate the list of customers who have requested for review of issued bills. HP reviews the complaints compliance register for exceptions to the obligation requirement. Findings: None Noted Recommendations: None	N/A
176	Electricity Industry Act section 82	Code of Conduct clause 5.1		The due date on the bill must be at least 12 business days from the date of the bill, with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.	Unlikely	Moderate	Medium	Manager Pricing and Analysis	No Control Identified	(1) Check the policies in terms of billing due dates. Enquire if the due date on the bills are automated. (2) Obtain a listing of bills during the audit scope period. Select a sample of the bills generated over the period and check that the due date on the bill is at least 12 business days from the date of the bill.	Weak	4	2	(1) Due dates on the bill appear automatically as they it is hard coded into the billing programme in CIS. Billing policy was obtained, however it does not specify billing due dates. (2) Horizon Power are unable to generate the list of bills to check that the due date of a bill is at least 12 business days from the date of the bill. This is performed by Synergy. Reports? Findings: (1) Billing policy does not specify billing due dates. Recommendations: (1) HP billing policy should specify billing due dates.	Billing and Collection Policy CA-20.5.3

ERA Compliance Reporting Manual Ref.	Licence Condition	Obligations Condition	Under	Description	Likelihood	Consequence	Inherent Risk	Process Owner(s)	Applicable Controls	Audit Procedures	Adequacy of existing Controls	Audit Priority (1=High, 5=Low)	Compliance Rating (1=Non compliant, 5=Compliant)	Results	Work paper Reference
178	Electricity Industry Act section 82	Code of Conduct clause 5.2(2)	A retailer must comply with the Electronic Funds Transfer Code of Conduct in making an electronic payment.	Probable	Moderate	Medium	Manager Pricing and Analysis	No Control Identified	(1) Check the existence of policy in terms of electronic funds transfer code of conduct. (2) Enquire with the Retailer and Financial Accountant if there have been any warnings lodged by ASIC for non compliance of EFT Code of Conduct. (3) Check the incident log book for retail for non compliance during the audit scope period.	Weak	4	2	(1) Horizon Power does not have a policy in terms of the EFT Code of Conduct. It only sits as a government code. (2) & (3) Horizon Power has not been warned by ASIC for non-compliance of EFT Code of Conduct. It has been identified that an incident log does not exist. Findings: (1) HP does not have own set of policy in terms of compliance with the EFT code of conduct. (2) There is no reporting from Synergy to HP on compliance of EFT code of conduct and is not stated in the SLA. (3) SLA policies and procedures do not clearly specify the obligation requirements relating to 185- 187. Recommendations: (1) Horizon Power should formalise their own set of policy in terms of compliance with EFT code of conduct. (2) Horizon Power should introduce receiving reports relating to the licence obligation. (3) Horizon Power should implement an incident log to keep track of all breaches and any nil incidents.	NA	
185	Electricity Industry Act section 82	Code of Conduct clause 5.7(1)	A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.	Probable	Minor	Low	Manager Pricing and Analysis	Service Level Agreement with Synergy Monthly compliance report from Synergy.	(1) Obtain a copy of the SLA and policies and procedures stipulating these requirements. (2) Enquire with the key personnel whether reporting protocols were established between Synergy and Horizon Power to ensure compliance against obligations. (3) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports - Customer survey/ complaints	Moderate	5	4	(1) Obtained a copy of the SLA (schedule 2, 2.4) and billing and collection policy. Policy does not specify obligations 185-187. When a customer moves house, the bill account is closed and the new account is opened. (2) Reporting protocols were established between Synergy and Horizon Power, however it does not go into great detail in relation to the obligation of when a customer has vacated a supply address. (3) Monthly compliance reports, 'Services provided by Synergy to Horizon' include a comment on compliance with providing billing services to all of the customer's clients. Findings: (1) SLA and policy and procedures does not clearly specify the obligation requirements relating to 185-187. Recommendations: (1) Horizon Power should update the SLA and policy and procedures to clearly specify the obligation requirements relating to 185-187.	SLA between HP and Synergy CA-20.5.8 Billing and Collection Policy CA-20.5.3 Service Performance Report March 08 and April 06 CA-20.5.9	
186	Electricity Industry Act section 82	Code of Conduct clause 5.7(2)	A retailer must not require a customer who was evicted or otherwise required to vacate a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.	Probable	Minor	Low	Manager Pricing and Analysis			Moderate	5	4			
187	Electricity Industry Act section 82	Code of Conduct clause 5.7(4)	A retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified.	Probable	Minor	Low	Manager Pricing and Analysis			Moderate	5	4			
188	Electricity Industry Act section 82	Code of Conduct clause 5.8(1)	A retailer must comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Policies and procedures on debt collection. Service Level Agreement for credit management services (with Synergy).	(1) Obtain a copy of the policies and procedures on debt collection. (2) Enquire with the key retail personnel if there had been any warnings lodged against Horizon Power by ACCC for contravening the code. (3) Check incident log book for retail for non compliance during the audit scope period.	Moderate	4	3	(1) Obtained billing and collection policy, however it does not specify the procedures for debt collection. (2) & (3) Horizon Power has not received any warnings lodged against them by the ACCC. It has been identified that an incident log does not exist. Findings: (1) Horizon Power does not maintain an incident log. (2) SLA and policies and procedures do not clearly specify the obligation requirements relating to 185 - 187. Recommendations: (1) Policies and procedures does not clearly specify the obligation requirements relating to 188. (2) Horizon Power should implement an incident log to keep track of all breaches and any nil incidents.	Billing and Collection Policy CA-20.5.3	
189	Electricity Industry Act section 82	Code of Conduct clause 5.8(2)	A retailer must not commence proceedings for recovery of a debt in the circumstances specified.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Policies and procedures on debt collection. Service Level Agreement for credit management services (with Synergy).	(1) Obtain a copy of the SLA and policies and procedures stipulating these requirements. (2) Enquire with the key personnel whether reporting protocols were established between Synergy and Horizon Power to ensure compliance against the respective obligations. (3) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports - Customer survey/ complaints	Moderate	4	2	(1) Obtained SLA and financial hardship procedures.(CA20-4.5). The SLA includes a 'credit and cash management services' section, which includes the provision of cash collection facilities, processing of unclaimed monies and provision of refund facilities. The SLA does not clearly specify obligations 189, 190-191, 197-199. (2) No reporting protocols were established between Synergy and Horizon Power with regards to compliance to licence obligations: 189, 190-191, 197-199. (3) No reports were generated between the scope period. Findings: (1) SLA does not clearly specify the obligation requirements relating to 189, 190-191, 197-199. (2) No reporting protocols between Synergy and Horizon Power. Recommendations: (1) Horizon Power should update the SLA clearly specify the obligations requirements relating to: 189, 190-191, 197-199. (2) Horizon Power should introduce receiving reports relating to the licence obligation.	SLA between HP and Synergy CA-20.5.8 Financial Hardship Procedure CA-20.4.5	
190	Electricity Industry Act section 82	Code of Conduct clause 5.8(3)	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of electricity to that supply address.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Policies and procedures on debt collection. Service Level Agreement for credit management services (with Synergy).		Moderate	4	2			
191	Electricity Industry Act section 82	Code of Conduct clause 6.1(1)	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within three business days from when the residential customer informs a retailer that they are experiencing payment problems.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Policies and procedures on debt collection. Service Level Agreement for credit management services (with Synergy).		Moderate	4	2			
197	Electricity Industry Act section 82	Code of Conduct clause 6.3	A retailer must offer the alternative payment arrangements, and advise the residential customers that additional assistance may be available, in circumstances where a residential customer is assessed as experiencing payment difficulties or financial hardship	Probable	Moderate	Medium	Manager Retail Systems and Operations	Existence of hardship policy. Service Level Agreement for credit management services (with Synergy)		Moderate	4	2			

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198	Electricity Industry Act section 82	Code of Conduct clause 6.4(1)		A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the specified payment arrangements.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Existence of hardship policy Service Level Agreement for credit management services (with Synergy)		Moderate	4	2		
199	Electricity Industry Act section 82	Code of Conduct clause 6.4(2)		A retailer must take into account and specify the stated information and take the specified actions when offering an installment plan to a residential customer experiencing payment difficulties or financial hardship.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Existence of hardship policy. Service Level Agreement for credit management services (with Synergy)		Moderate	4	2		
206	Electricity Industry Act section 82	Code of Conduct clause 6.10(1)		A retailer must develop a hardship policy to assist customers in meeting their financial obligations and responsibilities to the retailer.	Unlikely	Moderate	Medium	Manager Pricing and Analysis	Existence of hardship policy. A responsible person has been assigned to provide hardship information details.	(1) Obtain a copy of the hardship policy. (2) Check that it has been developed in accordance to code of conduct clause 6.10 (2).	Moderate	4	2	(1) Obtained a copy of Horizon Power's hardship policy. (2) The hardship policy complies with all necessary specifications as stated in code of conduct 6.10(2).	Horizon Power Hardship Policy CA-20.5.10
207	Electricity Industry Act section 82	Code of Conduct clause 6.10(2)		A retailer must ensure that the hardship policy complies with the specified criteria.	Unlikely	Moderate	Medium	Manager Pricing and Analysis		(3) Determine whether a responsible person is in charge of providing information details of hardship policy and if there is a register of those parties that have requested for the information.	Moderate	4	2	(3) All Credit Management staff at Synergy are trained to deal with customers experiencing financial hardship at no charge. The hardship policy is located on the Horizon Power website. A register is not kept for parties that have requested for financial hardship information.	
208	Electricity Industry Act section 82	Code of Conduct clause 6.10(3)		A retailer must give a customer, financial counselor or relevant consumer representative organization, on request, details of the financial hardship policy, at no charge.	Unlikely	Moderate	Medium	Manager Pricing and Analysis		(4) Check that the retailer has kept a record of: - the relevant consumer representative organizations consulted on the contents of the hardship policy; - the date the hardship policy was established; - the date the hardship policy was reviewed; and - the dates the hardship policy was amended.	Moderate	4	2	(4) Manager Retail Systems and Operations confirmed that the hardship policy was established around the time of disaggregation. Credit Management is outsourced to Synergy and Horizon Power is unaware of the following details: - the relevant consumer representative organizations consulted on the contents of the hardship policy; - the date the hardship policy was established; - the date the hardship policy was reviewed; and - the dates the hardship policy was amended. Findings: Horizon Power does not comply with this obligation 209. Horizon Power was not able to provide key dates relating to the hardship policy. Recommendations: (1) Horizon Power should be informed on key dates relating to the hardship policy	
209	Electricity Industry Act section 82	Code of Conduct clause 6.10(4)		A retailer must keep a record of the specified information related to the hardship policy.	Probable	Moderate	Medium	Manager Pricing and Analysis			Moderate	4	2	Findings: Horizon Power does not comply with this obligation 209. Horizon Power was not able to provide key dates relating to the hardship policy. Recommendations: (1) Horizon Power should be informed on key dates relating to the hardship policy	
210	Electricity Industry Act section 82	Code of Conduct clause 6.11		A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Existence of hardship policy Service Level Agreement for credit management services (with Synergy)	(1) Obtain a copy of the SLA and policies and procedures stipulating these requirements. (2) Enquire with the key personnel whether reporting protocols were established between Synergy and Horizon Power to ensure compliance against the respective obligations. (3) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports - Customer survey/ complaints (4) Enquire with Key Personnel of any occurrence of request for alternative payment arrangements due to payment difficulties.	Moderate	4	2	(1) Obtained SLA and billing and collection policy, both documents do not specify alternative payment arrangements for a customer experiencing payment difficulties. (2) No reporting protocols were established between Synergy and Horizon Power with regards to compliance to licence obligation 210. (3) No reports are generated for customers experiencing payment difficulties, however a total number of payment arrangement is reported. (4) Horizon Power's retail personnel are able to grant specific payment arrangement, however they are more involved with large account customers. Small use customers are managed by Customer Service Representatives (Synergy) who can grant specific payment arrangements, for arrangements beyond their authority this is given to Credit Management to handle. Findings: (1) SLA and policy and procedures does not clearly specify the obligation requirements relating to 210. (2) No reporting protocols were established between Synergy and Horizon Power. Recommendations: (1) Horizon Power should update the SLA and policies and procedures to clearly specify the obligations requirement: 210	SLA between HP and Synergy CA-20.5.8 Billing and Collection Policy CA-20.5.3
211	Electricity Industry Act section 82	Code of Conduct clause 7.1		A retailer must give the customer a reminder notice, use its best endeavors to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Service Level Agreement for credit management services (with Synergy)	(1) Obtain a copy of the SLA and policies and procedures stipulating these requirements. (2) Enquire with the key personnel whether reporting protocols were established between Synergy and Horizon Power to ensure compliance against the respective obligations. (3) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports particularly with regards to compliance against code of conduct clause 7.4 - Incident reports - Customer survey/ complaints	Moderate	4	2	(1) The SLA did not specify obligation 211-212 and 214. There are no policies and procedures in place, however a flowchart of the disconnection process was provided. (2) No reporting protocols were established between Synergy and Horizon Power with regards to compliance to licence obligation 211-212 and 214. (3) The total numbers of disconnection each month is supplied in the call centre monthly report and the age analysis reports. Through discussion with the Manager Pricing and Analysis, Horizon Power does not have any visibility of what Synergy the service provider does. This is because under disconnection, there are no breakdowns in terms of reporting of activities. Noted that a retailer must not arrange for disconnection when a customer fails to pay a bill when they are on life support, an active complaint exists or customer is in receivership. Findings: (1) Policies and procedures do not exist. (2) SLA does not clearly specify the obligation requirements relating to 211-212 and 214. No reporting protocols were established between Synergy and Horizon Power. Recommendations: (1) Horizon Power should update the SLA and document policies and procedures to clearly specify the obligations requirement: 211-212 and 214. (2) Horizon Power should introduce receiving reports relating to the licence obligation.	Reconnection and Disconnection Flowchart CA-20.5.11
212	Electricity Industry Act section 82	Code of Conduct clause 7.2		A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified.	Probable	Moderate	Medium				Moderate	4	2		
214	Electricity Industry Act section 82	Code of Conduct clause 7.4		A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified are satisfied.	Probable	Moderate	Medium				Moderate	4	2		
213	Electricity Industry Act section 82	Code of Conduct clause 7.3		In relation to dual fuel contracts, a retailer must not arrange for disconnection of the customer's supply address for failure to pay a bill within 15 business days from arranging for disconnection of the customer's gas supply.	N/A- HP does not have dual fuel contracts.										
219	Electricity Industry Act section 82	Code of Conduct clause 8.1(1)		A retailer must arrange for reconnection of the customer's supply address if the customer has remedied its breach, makes a request for reconnection, pays the retailer's reasonable charges (if any) or accepts an offer of an installment plan for the retailer	Probable	Moderate	Medium	Manager Retail Systems and Operations	Service Level Agreement for credit management services (with Synergy)	(1) Obtain a copy of the SLA and policies and procedures stipulating these requirements. (2) Enquire with the key personnel whether reporting protocols were established between Synergy and Horizon Power to ensure compliance against the respective obligations. (3) Check if the following types of reports were generated between 1 April 2006 and 31 March 2008: - KPI reports - Compliance reports - Incident reports	Moderate	4	3	(1) Policies and procedures were not obtained, however a flowchart of the reconnection process was provided. The SLA did not specify obligation 219-220. (2) No reporting protocols were established between Synergy and Horizon Power with regards to compliance to license obligation 219-220. (3) Reports are not generated for arrangement of reconnections. Findings: SLA does not clearly specify the obligation requirements relating to 219 and 220. Policies and procedures do not exist. No reporting protocols were established between Synergy and Horizon Power. Recommendations: (1) Horizon Power should update the SLA and document policies and procedures to clearly specify the obligations requirement: 219 and 220. (2) Horizon Power should introduce receiving reports relating to the license obligation.	Reconnection and Disconnection Flowchart CA-20.5.11
220	Electricity Industry Act section 82	Code of Conduct clause 8.1(2)		A retailer must forward the request for reconnection to the relevant distributor within the timeframe specified.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Service Level Agreement for credit management services (with Synergy)		Moderate	4	3		
224	Electricity Industry Act section 82	Code of Conduct clause 9.3(1)		A retailer must not operate a pre-payment meter at a residential customer's supply address without the verifiable consent of the customer or its nominated representative.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Service Level Agreement	(1) Obtain a copy of the SLA and policies and procedures stipulating these requirements. (2) Enquire with the key personnel whether reporting protocols were established between Synergy and Horizon Power to ensure compliance against the respective obligations. Check if the following types of reports were generated between 1 April 2006 and 31 March 2008:	Moderate	4	2	(1) Pre-payment meter was enforced on Horizon Power through a government mandate in December 2006, therefore this is not included in the SLA and no policies and procedures exists. (2) No reporting protocols were established between Synergy and Horizon Power with regards to compliance to license obligations 224-226. (3) Reports are not generated for pre-payment meter customers. Findings: SLA does not specify the obligation requirements relating to 224-226. Policies and procedures do not exist. No reporting protocols	N/A
225	Electricity Industry Act section 82	Code of Conduct clause 9.3(2)		A retailer must establish an account for each pre-payment meter operating at a residential customer's supply address.	Unlikely	Minor	Low	Manager Retail Systems and Operations			Moderate	4	2		

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226	Electricity Industry Act section 82	Code of Conduct clause 9.4		A retailer must provide the prescribed information to a pre-payment meter customer in the manner stated at no charge.	Unlikely	Minor	Low	Manager Retail Systems and Operations		<ul style="list-style-type: none"> - KPI reports - Compliance reports - Incident reports 	Moderate	4	2	<p>were established between Synergy and Horizon Power</p> <p>Recommendations:</p> <p>(1) Horizon Power should update the SLA and document policies and procedures to clearly specify the obligations requirement: 224-226.</p> <p>(2) Horizon Power should introduce receiving reports relating to the license obligation.</p>	
241	Electricity Industry Act section 82	Code of Conduct clause 10.2(1)		A retailer must, on request, give a non-contestable customer its billing data.	Unlikely	Minor	Low	Manager Retail Systems and Operations	No Control Identified	<p>(1) Discuss with key retail personnel on the process of handling request for billing data by Horizon Power or by its service provider.</p> <p>(2) Obtain a list of requests made to Horizon Power during the audit scope period. Select a sample and check if requests made to Horizon Power had been met.</p> <p>(3) For those handled by the service provider, identify the controls put in place by Horizon Power to monitor compliance. Test the control (s) identified.</p>	Moderate	5	5	<p>(1) A customer request for billing data first goes to the Customer Service Representative (Synergy). Depending on the load of work on the CSR's, the request may be forwarded on to the retail mailbox, where Horizon Power's retail personnel goes into CIS and contacts the customer.</p> <p>(2) & (3) A list of all request made to Horizon Power is not kept. HP track and monitor through Synergy's complaints register that Synergy has provided customers its billing data.</p> <p>Findings: None Noted</p> <p>Recommendations: None</p>	Written response to customer CA-20.4.2
275	Electricity Industry Act section 82	Code of Conduct clause 13.3(1)		A retailer must keep a record of the customer complaint indicators specified.	Probable	Moderate	Medium	Manager Retail Systems and Operations	Complaint reporting from Synergy	<p>(1) Discuss with key retail personnel whether Horizon Power receives from its service provider and keeps a record of the following:</p> <ul style="list-style-type: none"> - total complaints received; and - total number of billing and account complaints; - marketing complaints; - connection complaints; - disconnection complaints; - reconnection complaints; - other complaints; <p>- action taken by retailer to address a complaint; and</p> <p>- time taken for a complaint to be concluded.</p> <p>(2) Sight records kept.</p>	Moderate	4	5	<p>(1) & (2) Following documents have been sighted on the complaints register and are kept by Horizon Power's retail personnel:</p> <ul style="list-style-type: none"> - total complaints received; and - total number of billing and account complaints; - marketing complaints; - connection complaints; - disconnection complaints; - reconnection complaints; - other complaints; <p>- action taken by retailer to address a complaint; and</p> <p>- time taken for a complaint to be concluded.</p> <p>Findings: None Noted</p> <p>Recommendations: None</p>	Complaints register CA-20.5.7
276	Electricity Industry Act section 82	Code of Conduct clause 13.3(2)		A retailer must keep a copy of each complaint referred to in clause 13.3(1) (including complaints made directly to a marketer).	Probable	Moderate	Medium	Manager Retail Systems and Operations		<p>(1) Discuss with key retail personnel whether Horizon Power receives from its service provider and keeps a record of the following:</p> <ul style="list-style-type: none"> - total pre-payment customers; and - complaints received <p>(2) Sight records kept.</p>	Moderate	4	5	<p>(1) The information is part of the customer account record held in CIS. This information is part of the normal data Horizon Power have on all accounts. It is gathered when the account is initially set up in the system. The CSR in the call centre sets up the new accounts details in CIS system. Monitoring the number of accounts recorded is performed by Manager Retail Systems and Operation on an ad hoc basis.</p> <p>(2) Sighted on records of residential and business accounts on CIS.</p> <p>Findings: None Noted</p> <p>Recommendations: None</p>	
279	Electricity Industry Act section 82	Code of Conduct clause 13.6		A retailer must keep a record of the total number of residential and business accounts specified.	Unlikely	Moderate	Medium	Manager Pricing and Analysis	Service Level Agreement	<p>(1) Enquire of the system used to record residential and business accounts. Confirm if there is a personnel monitoring the number of accounts recorded.</p> <p>(2) Sight the records of the residential and business accounts.</p>	Moderate	4	5	<p>(1) The information is part of the customer account record held in CIS. This information is part of the normal data Horizon Power have on all accounts. It is gathered when the account is initially set up in the system. The CSR in the call centre sets up the new accounts details in CIS system. Monitoring the number of accounts recorded is performed by Manager Retail Systems and Operation on an ad hoc basis.</p> <p>(2) Sighted on records of residential and business accounts on CIS.</p> <p>Findings: None Noted</p> <p>Recommendations: None</p>	N/A
280	Electricity Industry Act section 82	Code of Conduct clause 13.7		A retailer must keep a record of the number of pre-payment meter customers and complaints information specified.	Probable	Moderate	Medium	Manager Pricing and Analysis	Service Level Agreement	<p>(1) Discuss with key retail personnel whether Horizon Power receives from its service provider and keeps a record of the following:</p> <ul style="list-style-type: none"> - total pre-payment customers; and - complaints received <p>(2) Sight records kept.</p>	Moderate	4	5	<p>(1) Horizon Power are able to view total pre-payment customer through the CIS system where customers with a pre-payment meter are coded "0220" or "0320" and sorted according to the community they come under. All complaints received are recorded in the complaints database that is located centrally. Only complaint handling staff at Horizon Power have access to the database.</p> <p>(2) Sighted the pre-payment meter customers spreadsheet in CIS and the complaints database.</p> <p>Findings: None Noted</p> <p>Recommendations: None</p>	N/A
291	Electricity Industry Act section 82	Code of Conduct clause 13.7		A retailer must pay the stated compensation to a customer where the customer is not reconnected in the manner specified and an exception to payment does not apply.	Probable	Moderate	Medium	Manager Pricing and Analysis Manager Pricing and Analysis	Customer Service Charter	<p>(1) Enquire with key personnel if Horizon Power has been provided with reports by Synergy with regards to compensation made with regards to late reconnection i.e. \$50 for each day that that it was late up to a maximum of \$250. If yes, select a sample of the reports and check for evidence of review by the personnel in charge.</p> <p>(2) Obtain a list of complaints during the audit scope period from CIS. Check if there are any complaints made with regards to compensations.</p> <p>Exceptions to payments: Note that retailer is not required to make payment if customer fails to apply for payment within 2 months of non-compliance or events or conditions outside the control of the retailer caused the retailer to be liable to make the payment.</p>	Moderate	4	4	<p>(1) Horizon Power does not receive any reports by Synergy regarding compensations made to late reconnections.</p> <p>(2) Obtained complaints register which categorizes all reconnection complaints. Identified a reconnection compensation of \$50 that was paid in March 2008. Confirmation of complaints made in regards to reconnection complaints was not possible prior to Jan 2008, as detailed comments were not written in the complaints register.</p> <p>Noted that if a customer applies for not being reconnected in the specified time, credit is raised. This rarely occurs.</p> <p>Findings:</p> <p>(1) Complaint register did not provide comments on how complaints were resolved until Jan 2008. Unable to confirm if any other reconnection compensation payments were made prior to Jan 2008. Horizon Power does not receive reports from Synergy on compensations made for late reconnections.</p> <p>Recommendations:</p> <p>(1) Horizon Power should introduce receiving reports listing compensation made for late connections.</p>	Complaints register CA-20.5.7
293	Electricity Industry Act section 82	Code of Conduct clause 14.2		A retailer must pay the stated compensation to a customer where the retailer has failed to follow any of the specified procedures prior to disconnection for a failure to pay and an exception to payment does not apply.	Probable	Moderate	Medium	Manager Pricing and Analysis Manager Pricing and Analysis	Customer Service Charter	<p>(1) Enquire with key personnel if Horizon Power has been provided with reports by Synergy with regards to compensation made with regards to disconnection i.e. \$50 for each day that that it was late up to a maximum of \$250. If yes, select a sample of the reports and check for evidence of review by the personnel in charge.</p> <p>(2) Obtain a list of complaints during the audit scope period from CIS. Check if there are any complaints made with regards to compensations.</p> <p>Exceptions to payments: Note that retailer is not required to make payment if customer fails to apply for payment within 2 months of non-compliance or events or conditions outside the control of the retailer caused the retailer to be liable to make the payment.</p>	Moderate	4	4	<p>(1) Horizon Power does not receive any reports by Synergy regarding compensations made to disconnections.</p> <p>(2) Obtained complaints register which categorizes all disconnection complaints, there were no compensation payments made. Confirmation of complaints made in regards to disconnection complaints was not possible prior to Jan 2008, as detailed comments were not written in the complaints register.</p> <p>Noted that if a customer applies for being disconnected not according to specified procedures, credit is raised to the customers account. This rarely occurs.</p> <p>Findings:</p> <p>(1) Complaint register did not provide comments on how complaints were resolved until Jan 2008. Unable to confirm if any other disconnection compensation payments were made prior to Jan 2008. Horizon Power does not receive reports from Synergy on compensations for disconnections.</p> <p>Recommendations:</p> <p>(1) Horizon Power should introduce receiving reports listing compensation made for disconnections.</p>	Complaints register CA-20.5.7
294	Electricity Industry Act section 82	Code of Conduct clause 14.3(1)		A retailer must acknowledge and respond to a written query or complaint by a customer within the timeframes prescribed.	Likely	Minor	Medium	Manager Pricing and Analysis Manager Pricing and Analysis	Customer Service Charter	<p>(1) Discuss with key personnel on the internal process for handling complaint or query. Walkthrough the process and obtain key documents.</p> <p>(2) Obtain a listing of customer complaints and queries for the audit scope period. Select a sample and check that the complaints/ queries had been :</p> <ul style="list-style-type: none"> - acknowledged within 10 business days; and - responded by Horizon Power within 20 business days. 	Moderate	4	5	<p>(1) Complaints are logged into CIS by CSR. For complaints relating to a particular job, there are job codes allocated to it. At the end of each night all complaints for the day are compiled into the 'horizon complaints service order report' and sent via email to Horizon Power's retail personnel the following day to action on. Obtained complaints policy.</p> <p>(2) Obtained listing of all customer complaints, for the sample selected, complaints were responded by Horizon Power within the specified timeframe.</p> <p>(3) From April 2006 - October 2007 it was not possible to identify if any \$20 payments were made, as no description on complaints register. From November 2007 - March 2008, no compensation was made.</p> <p>Findings: None Noted</p> <p>Recommendations: None</p>	Complaints register CA-20.5.7 Horizon Complaints Service Order Report CA-20.5.12 Complaints policy CA-20.5.13 Testsheet 295 D10.7
295	Electricity Industry Act section 82	Code of Conduct clause 14.3(2)		A retailer must pay the stated compensation to a customer where the retailer has failed to acknowledge or respond to a query or complaint within the timeframes prescribed and an exception to payment does not apply.	Probable	Minor	Low	Manager Pricing and Analysis Manager Pricing and Analysis	Customer Service Charter	<p>(3) For those complaints that had not been acknowledged or responded in the above specified timeframe, check that the customers had been paid compensation of \$20 (note only one payment required for late acknowledgment even though response will</p>	82	5	5	<p>Findings: None Noted</p> <p>Recommendations: None</p>	

ERA Compliance Reporting Manual Ref.	Licence Condition	Obligations Condition	Under	Description	Likelihood	Consequence	Inherent Risk	Process Owner(s)	Applicable Controls	Audit Procedures	Adequacy of existing Controls	Audit Priority (1=High, 5=Low)	Compliance Rating (1=Non compliant, 5=Compliant)	Results	Work paper Reference
298	Electricity Industry Act section 82	Code of Conduct clause 14.6(1)		A retailer who is required to make a compensation payment for failing to satisfy a service standard, must do so in the manner specified.	Probable	Minor	Low	Manager Pricing and Analysis Manager Pricing and Analysis	Customer Service Charter	As per audit steps above	Moderate	5	5	(1) Complaints are logged into CIS by CSR. For complaints relating to a particular job, there are job codes allocated to it. At the end of each night all complaints for the day are compiled into the 'horizon complaints service order report' and sent via email to Horizon Power's retail personnel the following day to action on. Obtained complaints policy. (2) Obtained listing of all customer complaints, for the sample selected, complaints were responded by Horizon Power within the specified timeframe. (3) From April 2006 - October 2007 it was not possible to identify if any \$20 payments were made, as no description on complaints register. From November 2007 - March 2008, no compensation was made. Findings: None Noted Recommendations: None	Complaints register CA-20.5.7 Horizon Complaints Service Order Report CA-20.5.12 Complaints policy CA-20.5.13 Testsheet 295 D10.7
Non Reportable Obligations															
82	Integrated License condition 24.1	Regional Electricity Industry Act section 14(1)(a)		A licensee must provide for an asset management system.	Probable	Moderate	Medium	Manager Generation Services Technical Manager Networks	Generation - Asset Management Plan Transmission & Distribution - Asset Management System, DQM in which they pick projects. When a project is set up, there are parameters set in the DQM such then when a project reaches a certain size a report is automatically generated for the ERA.	(1) Discuss with key personnel within generation, distribution and transmission areas the notification process to the Authority of the commencement/ completion or material changes of the said systems. (2) Walkthrough the process and obtain a copy of key documents used/retained. (3) Enquire if there have been any commencement or construction of systems for generation, distribution and transmission. Check that the Authority has been notified within 2 business days from the commencement date or from the completion of construction of the generating works, distribution systems or transmission systems, whichever is later. (4) Enquire and document the reporting process of effectiveness of asset management system. (5) Obtain a copy of the report in relation to the effectiveness of the asset management system. Verify that it was submitted to the Authority within the specified timeframe. (6) Enquire and obtain evidence to verify whether an independent expert has been appointed and approved by the Authority prior to the asset management system review.	Moderate	4	5	(1) The Manager Generation Services notes that at the time of application for license, the asset management plan was provided to the ERA. It was noted that as they are building new generators, they need to provide an update of the asset management plan to the ERA. They are currently working on putting that together. The Technical Manager Networks notes that construction of distribution systems or transmission systems have occurred. (2) The Manager Generation Services notes that this will occur in the future, currently they are developing the asset management plan for that. The Technical Manager Networks notes that for transmission and distribution, an Asset Management System - DQM is in place in which they document and set up projects. There are parameters set in the DQM such that when a project reaches a certain size, a report is automatically generated for the ERA. (3) - (6) Through discussion with the Manager Generation Services, we noted that there had been no commencements or constructions of systems for Generation. Through discussion with the Technical Manager Networks, we noted that there has been no commencement of constructions for system for distribution and transmission. Findings: None Noted Recommendation: None	N/A
155	Electricity Industry Act section 82	Code of Conduct clause 4.7		A retailer must use its best endeavors to ensure that metering reading data is obtained as frequently as is required to prepare its bills and, in any event, at least once every twelve months in accordance with clause 4.6(1)(a) of the Code of Conduct.	Unlikely	Minor	Low	Contract Co-ordinator, Network Customer Services	No Control Identified	(1) Through discussion, identify the process and controls implemented to ensure that their Metering agent, Western Power complies with this clause. (2) Sight to the SLA to check if this clause is stipulated.	Weak	5	4	(1) Meters get read once or twice a month. When meters are read, the customer gets billed. Retail will inform if they do not get the metering data. (2) This obligation is not stipulated in the SLA. Findings: None Noted Recommendation: None	N/A
167	Electricity Industry Act section 82	Code of Conduct clause 4.15(1)		A retailer must use reasonable endeavors to arrange for a final bill if a customer requests the retailer to issue a final bill at the customer's supply address.	Probable	Minor	Low	Manager Pricing and Analysis	Existence of SLA between Horizon Power and Synergy. Automated process within CIS system.	(1) Through discussion, identify the process and controls implemented to ensure that their Marketing agent, Synergy complies with this clause. (2) Sight to the SLA to check if this clause is stipulated.	Moderate	5	4	(1) Performed at Synergy. (2) The SLA mentions providing billing services, with a service standard to ensure all accounts are billed timely and accurately and to complete all account processes within 2 business days. Findings: This obligation is not stipulated in the SLA Recommendations: HP should update the SLA to clearly specify the requirement of obligation 155.	N/A
433	Integrated License condition 5.1	Regional Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 10(2)		A distributor or transmitter must consider whether, in specified circumstances, it should supply electricity by alternative means to a customer who will be affected by a proposed interruption.	Likely	Minor	Medium	Control Center Superintendent Technical Manager Networks	Documentation of specified circumstances in their policies and procedures.	(1) Enquire of the circumstances in which Horizon Power would consider alternative means of electricity supply to a customer affected by a proposed interruption. (2) Through discussion, identify the process undertaken to provide a customer with alternative electricity supply arrangements.	Moderate	4	4	(1) Circumstance in which HP would consider an alternative means of electricity supply are when outages extend beyond 12 hours, when the outage causes unreasonable hardship, or when an unplanned interruption causes a lot of financial cost. (2) If alternative means of supply were to be brought in, HP would consider bringing in temporary generation by access generation for hire or bring in from another town to support a large area, installed locally to provide temporary supplies. There are no procedures documenting the process undertaken to provide a customer with alternative electricity supply arrangements. Findings: There are no procedures documenting the processes undertaken to provide a customer with alternative electricity supply means. Recommendations: HP should document procedures for the process undertaken to provide a customer with alternative electricity supply.	N/A
444	Integrated License condition 5.2	Regional Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 23(1)		A distributor or transmitter must take all such steps as are reasonably necessary to monitor the operation of its network to ensure compliance with specified requirements	Unlikely	Minor	Low	Control Center Superintendent Technical Manager Networks	Documented procedures in place detailing monitoring the operation of its network.	(1) Enquire as to what steps Horizon Power takes to monitor operations to ensure compliance with specified requirements. (2) Check that general procedures are in place to ensure compliance with specified requirements.	Moderate	5	5	(1) The Technical Manager Networks noted that documented procedures are in place detailing the monitoring of the operations of its networks. (2) Refer to (1) Findings: None Noted Recommendations: None.	Networks Procedures CA-
92	Integrated License condition 5.1	Regional Electricity Industry Act section 65(d)		Electricity Networks Corporation and Regional Power Corporation must implement arrangements set out in an approved extension and expansion policy.	Probable	Minor	Low	Manager Generation Services Technical Manager Networks	No Control Identified	Confirm that the arrangements set out in the approved extension and expansion policy have been implemented by corroborating to key documents.	Weak	5	5	(1) Generation: The extension and expansion policy has not been developed and approved yet. Networks: The extension and expansion policy is in draft and subject to the office of energy approval. The Technical Manager Networks noted that it has not been approved as it is subject to Office of Energy approval first. Findings: None Noted Recommendations: None	N/A
192	Electricity Industry Act section 82	Code of Conduct clause 6.1(2)		A retailer must give reasonable consideration to the information and advice specified when undertaking an assessment regarding payment difficulties or financial hardship.	Probable	Minor	Low	Manager Retail Systems and Operations	No Control Identified	Obtain a list of customers with payment difficulties over the audit scope period. Select a sample and test that Horizon Power had given reasonable consideration to the information and advice specified when undertaking an assessment regarding payment difficulties or financial hardship.	Weak	5	4	(1) Horizon Power are unable to generate the list of customers with payment difficulties. This is performed by Synergy. Horizon Power do not receive reports on the information and advice specified when assessing customers undergoing payment difficulties or financial hardship. Findings: HP do not receive report of customers undergoing payment difficulties or financial hardship. Recommendations: HP should consider obtaining a list from Synergy of HP customers undergoing payment difficulties or financial hardship.	N/A
202	Electricity Industry Act section 82	Code of Conduct clause 6.7		A retailer must give reasonable consideration to offering a customer an installment plan or offering to revise an existing installment plan, in circumstances where it is reasonably demonstrated to the retailer that the customer is unable to meet its previously elected payment arrangement.	Probable	Minor	Low	Manager Retail Systems and Operations	No Control Identified	Obtain a list of customers with payment difficulties over the audit scope period. Select a sample and test that Horizon Power had offered the customers an installment plan or offering to revise an existing installment plan, in circumstances where it is reasonably demonstrated to the retailer that the customer is unable to meet its previously elected payment arrangement.	Weak	5	5	(1) Horizon Power are unable to generate the list of customers with payment difficulties. This is performed by Synergy. Horizon Power receive reports on the number of customers with a payment arrangement. Findings: None Noted. Recommendations: None	Call Centre Report CA-20.5.14

ERA Compliance Reporting Manual Ref.	Licence Condition	Obligations Condition	Under	Description	Likelihood	Consequence	Inherent Risk	Process Owner(s)	Applicable Controls	Audit Procedures	Adequacy of existing Controls	Audit Priority (1=High, 5=Low)	Compliance Rating (1=Non compliant, 5=Compliant)	Results	Work paper Reference
233	Electricity Industry Act section 82	Code of Conduct clause 9.9(2)		If a pre-payment meter customer has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavors to inform the pre-payment meter customer accordingly within 10 business days of the retailer becoming aware of the error and seek reimbursement instructions from the customer.	Probable	Minor	Low	Manager Pricing and Analysis	No Control Identified	(1) Obtain a list of customers with pre-payment customers overcharged as a result of an act or omission of a retailer or distributor. Select a sample and check that Horizon Power had tried its best to inform the pre-payment meter customer accordingly within 10 business days of the retailer becoming aware of the error and seek reimbursement instructions from the customer.	Weak	5	5	(1) Testing could not be performed as Horizon Power have not encountered overcharging a pre-payment customer. Findings: None Noted Recommendations: None	N/A
255	Electricity Industry Act section 82	Code of Conduct clause 10.9		A retailer, distributor and marketer must, to the extent practicable, ensure that any written information that must be given to a customer under the Code of Conduct is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.	Probable	Minor	Low	Manager Pricing and Analysis	No Control Identified	(1) Obtain a list of written information provided to the customers over the audit scope period. Check whether the information provided was expressed in clear, simple, and concise language and is in a format that makes it easy to understand.	Weak	5	5	(1) Obtained two different letters sent to a customer. Language used in both documents were clear, simple and concise. Findings: None Noted Recommendations: None	Letter to customer #1 CA-20.6.1. Letter to customer #2 CA-20.6.2
349	Integrated Regional License condition 5.1	Electricity Industry Metering Code clause 4.4(1)		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.	Probable	Minor	Low	Contract Co-ordinator, Network Customer Services	Reconciliation between metering installation and data held in the metering database. Procedures documented for the process of reconciliation and manner to resolve discrepancies.	(1) Enquire with key personnel whether there were discrepancies between energy data held in a metering installation and data held in the metering database during audit scope period. Identify how these discrepancies were resolved between the network operator and the Code participants and corroborate to key documents retained.	Moderate	5	5	(1) There are algorithms and flags in the MBS that flags if any unusual variations from previous reads. Noted that the MBS is built specifically around the codes to meet these requirements. Meter readings which are very unusual e.g. 10 times the amount it was before. This is resolved by HP by: 1. Physically testing the meter 2. Perform another meter reading to make sure no error in the first reading. 3. Review historic data 4. Retail process to estimate lower expected bill. Findings: None Noted Recommendations: None	N/A
359	Integrated Regional License condition 5.1	Electricity Industry Metering Code clause 5.1 (1)		A network operator must use all reasonable endeavors to accommodate another Code participant's requirement to obtain a metering service and requirements in connection with the negotiation of a service level agreement.	Probable	Minor	Low	Contract Co-ordinator, Network Customer Services	No Control Identified	(1) Enquire with key personnel whether there had been any requests from other code participants to obtain metering service and any service level agreement had taken place. Corroborate to key documents.	Weak	5	5	(1) The Contract Co-ordinator Network Customer Services noted that there has been no requests from other code participants to obtain metering services. Findings: None Noted Recommendations: None	N/A
362	Integrated Regional License condition 5.1	Electricity Industry Metering Code clause 5.4(1)		A network operator must, for each accumulation meter on its network, use reasonable endeavors to undertake a meter reading that provides an actual value at least once in any 12 month period.	Likely	Minor	Medium	Contract Co-ordinator, Network Customer Services	No Control Identified	(1) Enquire with key personnel whether for each accumulation meter on its network, it has used reasonable endeavors to undertake a meter reading that provides an actual value at least once in any 12 month period. Check to records and key documents.	Weak	4	3	(1) WP provide the service. Noted that in MBS, WP schedule in their system jobs that flag at least once in ever 12 months for every meter. This obligation is not detailed in the SLA. The SLA is at a high level and HP are still in the process of detailing it. Findings: Obligation is not stipulated in the SLA. Recommendation: HP should consider including the obligation in the SLA.	N/A
417	Integrated Regional License condition 5.1	Electricity Industry Metering Code clause 6.20(4)		A network operator must amend any document in accordance with the Authority's final findings.	Unlikely	Minor	Low	Manager Regulation Technical Regulation Engineer	No Control Identified	(1) Identify if a system is in place to log, monitor and track requests from the Authority to amend any document in accordance with the Authority's final findings. Check whether there were any such request and if the amendments had been performed.	Weak	5	3	(1) We noted through discussion with the Compliance Manager that there were no formalised procedures documents or systems in place to process and document directions that had been provided by the Authority (2) We noted that no register was maintained to record directives received from the authority. (3) We noted that there were no directives had been given to Horizon Power within the Audit Period. Findings: HP does not have procedures or a register to record and process directions received by the Authority. Recommendation: HP should implement a register to maintain all directions received by the authority. Additionally, a policy should be created to document the process of responding to directions provided by the authority.	N/A
426	Integrated Regional License condition 5.1	Electricity Industry Metering Code clause 8.1(3)		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.	Probable	Minor	Low	Manager Pricing and Analysis	System in place to log, and monitor disputes. Documented procedures for the dispute process.	(1) Interview key personnel to obtain an understanding of the dispute handling process. Obtain a copy of documented policies and procedures on disputes and determine if the requirement is stipulated. (2) Walkthrough the process of managing and resolving a dispute and confirm that disputes which were not resolved within 10 business days by senior management were referred to senior executive officers of each disputing party.	Moderate	5	3	(1) &(2) The Manager Pricing and Analysis noted that within the audit period, no dispute that has been escalated to that level. Review of the complaints policy identified that the obligation was not stipulated. Upon further inquiry with the Manager of Regulation Services, it was noted that no disputes have been escalated to that level within the audit period. Disputes / Complaints have been resolved at officer level. Findings: Dispute handling escalation process is not documented in the complaints policy 31/01/08. Recommendations: Dispute handling process should be included in the complaints policy 31/01/08.	N/A
429	Integrated Regional License condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 5(1)		A distributor or transmitter must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards.	Unlikely	Minor	Low	Contract Co-ordinator, Network Customer Services	No Control Identified	(1) Through discussion, identify the process and controls implemented to ensure that their Metering agent, Western Power complies with this clause. (2) Sight to the SLA to check if this clause is stipulated. (3) Enquire as to the monitoring procedures in place to check that Western Power's supply to a customer's electrical installation complies with prescribed standards.	Weak	5	5	(1) The Electricity Industry Network Supply Quality and Reliability 2005 specifies the minimum requirements. PQ is logged in the DQM and is investigated. This is logged and the outcome is also logged in the DQM. The buzz bar at substation. Quality is measured at this point. To measure reliability, the triple call management system is used which logs durations. This is reported to the Board monthly and yearly to the regulator. (2) SLA stipulates the requirement that equipment supplied by WP must meet the prescribed standards. (3) Refer to (1) Findings: None Noted Recommendations: None	SLA CA 20.2.4
430	Integrated Regional License condition 5.1	Electricity Industry (Network Supply) Code 2005 clause 8		A distributor or transmitter must, so far as reasonably practicable, disconnect the supply of electricity to installations or property in specified circumstances, unless it is in the interest of the customer to maintain the supply.	Probable	Minor	Low	Contract Co-ordinator, Network Customer Services	No Control Identified	(1) Through discussion, identify the process and controls implemented to ensure that HP complies with the duty to disconnect, as failure to do so may result in damage to a customer's electrical installation or property. (2) Sight to HP internal procedures and the SLA to check if this clause is stipulated.	Weak	5	3	(1) If a worker becomes aware of danger or hazards, HP and WP will disconnect. There are rules to disconnect for non-payment and non-application after warnings given. (2) Not stipulated in SLA or HP internal procedures. Findings: Requirement is not stipulated in the SLA or HP internal procedures. Recommendations: HP should update the SLA to clearly specify the obligation requirement.	SLA CA 20.2.4

Appendix B Compliance Rating Scale

The overall compliance rating applied to each licence condition is derived using the 5-point rating scale described in Table 1, based on the Authority Audit Guidelines.

Table 1: Operational/Performance Compliance 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.

Appendix C Audit Evidence

List of Legislation & Other External Documents

AUS 810 - Special Purpose Reports on the Effectiveness of Control Procedures
WA Legislation - Electricity Industry Act 2004
WA Legislation - Audit Guidelines: Electricity, Gas and Water Licences
WA Legislation - Electricity Industry (Network Quality and Reliability of Supply) Code 2005
WA Legislation - Electricity Industry Customer Transfer Code 2004
WA Legislation - Electricity Industry Metering Code 2005
WA Legislation - Electricity Networks Access Code 2004
WA Legislation - Code of Conduct for the Supply of Electricity to Small Use Customers 2004

List of Regional Power Corporation Documents

Service Order Outstanding report
Outstanding Service Order Report sent to Depot
Service Order Excel Summary Spreadsheet
SLA between Horizon Power and Western Power
Complaints handling procedure from Horizon Power website
Horizon Power Customer Service Charter
Extended Outage Payment Scheme Form
Compensation uploaded onto EOPS Screen Print
Population listing for compensation payments
Knowledge Management Policy
Records Management and Document Management
Minister of Energy Approval
Horizon Power Draft Record Keeping Plan
State Records Retention and Disposal Schedule, HR
State Records Retention and Disposal Schedule, Admin
State Records Retention and Disposal Schedule, Finance
Western Power Retention and Disposal Schedule
Horizon Power Annual Report 2006 and 2007
Confirmation letter sent to customer.
Customers on Life Support Listing
Spreadsheet of Customers on life support.
SLA between Horizon Power and Synergy
SLA Performance Report
Horizon Complaints Policy
Complaints database register
Confirmation letter sent to customer
Compliance Complaint Report
Customer Satisfaction Survey September 2007, March 2007 and July 2006
Monthly Compliance Report
Billing and Collection Policy
'How to read a meter' procedures from website
Billing and Collection Policy
Service Performance Report March 2008 and April 2006
Financial Hardship Procedure
Horizon Power Hardship Policy
Reconnection and Disconnection Flowchart
Complaints policy
Horizon Complaints Service Order Report

List of Regional Power Corporation Documents

Networks Procedures

Letter to customer

Welcome letter to new customers

Call customer business scripts

Standard terms and conditions

Energy Industry Ombudsman Annual Report 2007

Horizon Power Customer Application Procedure

Asset Decommissioning and Divestment Procedure

Finance Team structure

Audited accounts for the financial year ending 30 June 2006 and 30 June 2007

Monthly reports for May 2008, September 2007 and April 2007

Latest 6 monthly annual report

Emails between the General Manager Public Affairs and the Managing Director

Appendix D Licensee's Representatives

The following persons were interviewed and/or provided evidence to the auditors in completing this audit.

Name	Position
Warren Wood	Manager Pricing and Analysis
Alana Davies	Manager Retail Systems and Operations
Frank Buttigieg	Contract Co-ordinator, Network Customer Services
Andrew Christopher	Manager Commercial Customer Services
John Zanello	Technical Manager Networks
Andrew Riches	Branding and Promotions Manager
Alf Martin	Control Centre Superintendent
Scott Beckwith	Manager Generation Services
Grant Stacey	Manager Compliance Regulation
Terry Corfield	Technical Regulation Engineer
Amelia Yam	Finance and Corporate Services Manager
David Martin	General Manager Public Affairs,
Brett Hoving	Networks Manager - Pilbara
David Orr	Manager Data Management

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