

South West Cogeneration Joint Venture

**Electricity Generation Licence
(EGL 9)**

**2013 Performance Audit
(Independent Assurance) Report**

November 2013

Mr Andy Wearmouth
Facility Manager
South West Cogeneration Joint Venture
Level 11, 15-17 William Street
Perth WA 6000

6 November 2013

Dear Andy

Electricity Generation Licence (EGL 9) Performance Audit Report

We have completed the Electricity Generation Licence Performance Audit for South West Cogeneration Joint Venture (SWCJV) for the period 1 July 2010 to 30 June 2013 and are pleased to submit our report to you.

I confirm that this report is an accurate presentation of the findings and conclusions from our audit procedures.

If you have any questions or wish to discuss anything raised in the report, please contact Andrew Baldwin on 9365 7236 or myself on 9365 7024.

Yours sincerely

Richard Thomas
Partner
Deloitte Touche Tohmatsu

Contents

| | | |
|---|---|----|
| 1 | Independent Auditor’s report | 1 |
| | Conclusion | 2 |
| 2 | Executive summary | 3 |
| | 2.1 Introduction and background | 3 |
| | 2.2 Observations | 3 |
| | 2.3 Findings | 3 |
| | 2.4 SWCJV’s response to previous audit recommendations | 4 |
| | 2.5 Recommendations and action plans | 5 |
| | 2.6 Scope and objectives | 5 |
| | 2.7 Approach | 5 |
| 3 | Summary of findings | 6 |
| 4 | Detailed findings, recommendations and action plans | 9 |
| | 4.1 Electricity Industry Act 2004 | 10 |
| | 4.2 Electricity Licences – Licence Conditions and Obligations | 13 |
| | 4.3 Electricity Industry Metering Code 2005 | 15 |
| | Appendix A – Audit Plan | 19 |
| | Appendix B – References | 20 |

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1 Independent Auditor's report

With the Economic Regulation Authority's (**the Authority**) approval, Deloitte Touche Tohmatsu (**Deloitte**) was engaged to conduct a performance audit of South West Cogeneration Joint Venture's (**SWCJV**) compliance with the conditions of its Electricity Generation Licence (**Licence**).

The audit was conducted in accordance with the specific requirements of the Licence and the August 2010 issue of the *Audit Guidelines: Electricity, Gas and Water Licences* (**Audit Guidelines**).

SWCJV's responsibility for compliance with the conditions of the Licence

SWCJV is responsible for:

- Putting in place policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority
- Implementing corrective actions for instances of non-compliance (if any).

Deloitte's responsibility

Our responsibility is to express a conclusion on SWCJV's compliance with the conditions of its Licence based on our audit procedures. We conducted our engagement in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3500 *Performance Engagements*¹ issued by the Australian Auditing and Assurance Standards Board (**AASB**), in order to state whether, in our opinion, based on the procedures performed, the conditions of the Licence have been complied with. Our engagement provides reasonable assurance as defined in ASAE 3500.

Limitations of use

This report is intended solely for the information and internal use of SWCJV and is not intended to be, and should not be, used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report. We do not accept or assume responsibility to anyone other than SWCJV for our work, for this report, or for any reliance which may be placed on this report by any party other than SWCJV.

Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, readers of our report should not rely on the report to identify all potential instances of non-compliance which may occur.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

¹ ASAE 3500 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3100 *Compliance Engagements* and ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Conclusion

In our opinion, based on the procedures performed, SWCJV has, in all material respects, complied with the conditions of its Licence for the period 1 July 2010 to 30 June 2013.

DELOITTE TOUCHE TOHMATSU

Richard Thomas
Partner
Perth, 6 November 2013

2 Executive summary

2.1 Introduction and background

The Economic Regulation Authority (the **Authority**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued to South West Cogeneration Joint Venture (**SWCJV**) an Electricity Generation Licence (the **Licence**).

SWCJV has been granted a licence to operate existing generating works on a 120 MW natural gas fired cogeneration facility, which supplies steam and electricity to the BHP Billiton Worsley Alumina refinery near Bunbury in Western Australia and electricity to the south west interconnected grid under a power purchase agreement with Verve Energy. The joint venture partners are Verve Energy and Origin Energy.

The cogeneration plant commenced commercial operations in November 2000, at which time SWCJV entered into:

- A site services agreement with Worsley Alumina Pty Ltd (**WAPL**) to operate the facility, which is constructed adjacent to WAPL's existing powerhouse within WAPL's refinery site
- A long term service agreement with GE Contractual Services (**GECS**), which is responsible for major site maintenance and is represented by an on-site resident engineer.

Section 13 of the Act requires SWCJV to provide to the Authority a performance audit (the **audit**) conducted by an independent expert acceptable to the Authority not less than once in every 24 month period. The Authority has elected to extend the period to be covered by the audit to the 36 month period ending 30 June 2013.

The audit has been conducted in accordance with the August 2010 issue of the *Audit Guidelines: Electricity, Gas and Water Licences (Audit Guidelines)*.

2.2 Observations

In considering SWCJV's internal control procedures, structure and environment, its compliance culture and its information systems specifically relevant to those licence obligations subject to audit, we observed that SWCJV has:

- Demonstrated a general awareness of its regulatory requirements relating to its Licence
- Allocated the primary responsibility for meeting key Licence obligations to the Facilities Manager
- Maintained procedures and controls designed to:
 - Facilitate compliance with its Licence obligations
 - Uphold the integrity of its reporting to the Authority and other statutory organisations on matters specific to its Licence obligations.

2.3 Findings

The following table summarises the assessments made by the audit on SWCJV's compliance with the obligations of the Licence. On a scale of 1 to 5, "5" is the highest compliance rating possible (defined as "Compliant with no further action required to maintain compliance") with the rating scale moving down through lower levels of compliance to "1", the lowest rating possible (defined as "Significantly non-compliant: Significant weaknesses and/or serious action required").

Table 2 at section 3 of this report provides further detail to the compliance rating scale.

Table 1: Summary of findings, by audit priority and compliance rating

| No. of Obligations | Compliance Rating | | | | | | | Total |
|-----------------------------|-------------------|------------------------|---------------|----------|-----------|----------|-----------|-----------|
| | N/A ³ | Not rated ⁴ | Non-compliant | | Compliant | | | |
| Audit Priority ² | | | 1 | 2 | 3 | 4 | 5 | |
| Priority 1 | | - | - | - | - | - | - | - |
| Priority 2 | | - | - | - | - | - | - | - |
| Priority 3 | | - | - | - | - | - | - | - |
| Priority 4 | | 20 | - | - | - | - | 9 | 29 |
| Priority 5 | | 4 | - | - | - | - | 7 | 11 |
| N/A | | | | | | | | 9 |
| Total | 9 | 24 | - | - | - | - | 16 | 49 |

* The number of obligations listed at Table 1 includes six obligations that were applicable for part of the audit period only. Refer to Appendix A – Audit Plan for further detail.

Specific assessments for each licence obligation are summarised at **Table 3** in the “Summary of findings” section of this report.

Detailed findings, including relevant observations, recommendations and action plans are located in section 4 “Detailed findings, recommendations and action plans” of this report.

2.4 SWCJV’s response to previous audit recommendations

No recommendations and corresponding action plans were applicable to the 2010 performance audit.

² Audit priority for each licence obligation was determined as an outcome of the risk assessment approach outlined in the Audit Plan at Appendix A

³ Obligations assessed as not applicable to SWCJV’s operations are detailed in the Audit Plan at Appendix A

⁴ Obligations for which there was no relevant activity during the audit period; therefore a compliance assessment could not be made.

2.5 Recommendations and action plans

No recommendations are made by this audit.

2.6 Scope and objectives

The audit was designed to gain reasonable assurance regarding SWCJV's compliance with the conditions of its Licence during the period 1 July 2010 to 30 June 2013.

The Authority has summarised the requirements of the applicable legislation that it expects to be reported and included in the scope of the audit in its Electricity Compliance Reporting Manual (**Reporting Manual**).

The Audit Plan set out at Appendix A lists those Licence conditions confirmed to be included in the scope of the audit, along with the risk assessments made for, and audit priority assigned to, each licence obligation.

2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during the period August to September 2013:

- Utilising the Audit Guidelines and Reporting Manuals (June 2010, May 2011 and February 2013 versions) as a guide, development of a risk assessment, which involved discussions with key staff and document review to assess controls
- Development of an Audit Plan (see **Appendix A**) for approval by the Authority and an associated work program
- Interviews with and representations from relevant SWCJV staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Review of documents and walkthrough of processes and controls to assess the overall compliance and effectiveness of those processes and controls in accordance with Licence obligations (see **Appendix B** for reference listing)
- Reporting of findings to the Facility Manager for review and response.

3 Summary of findings

Table 2 sets out the rating scale defined by the Authority in the Audit Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, SWCJV was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

Table 2: Compliance rating scale

| Level | Rating | Description |
|-----------------------------|--------|--|
| 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 |
| Not applicable | N/A | Determined that the compliance obligation does not apply to SWCJV's business operations |
| Not rated | N/R | No relevant activity took place during the audit period; therefore it is not possible to assess compliance. |

The remainder of this report provides:

- A summary of the findings for the compliance obligations (Table 3 below)
- Detailed findings, including any relevant observations (section 4).

Note that the risk assessment presented in the audit plan remains unchanged. No issues or concerns were identified that would indicate a need to modify the nature and levels of testing.

The risk assessment has been included in this summary to give context to the ratings that have been determined.

Table 3: Compliance Summary

Refer to Detailed Findings at section 4 and Audit Plan at Appendix A for descriptions of the obligations

| # | Obligation reference | Consequence | Likelihood | Inherent Risk Rating | Control Assessment | Audit Risk/Priority | Compliance Rating | | | | | | |
|---|----------------------|---|------------|----------------------|--------------------|---------------------|-------------------|---|---|---|---|---|--|
| | | | | | | | NR | 1 | 2 | 3 | 4 | 5 | |
| 12 Electricity Industry Act | | | | | | | | | | | | | |
| 101 | 13(1) | Minor | Unlikely | Low | Moderate | Priority 5 | | | | | | ✓ | |
| 102 | 14(1)(a) | Minor | Probable | Low | Strong | Priority 5 | | | | | | ✓ | |
| 103 | 14(1)(b) | Moderate | Unlikely | Medium | Moderate | Priority 4 | | | | | | ✓ | |
| 104 | 14(1)(c) | Minor | Unlikely | Low | Moderate | Priority 5 | | | | | | ✓ | |
| 105 | 17(1) | Moderate | Probable | Medium | Moderate | Priority 4 | | | | | | ✓ | |
| 106 | 31(3) | Moderate | Unlikely | Low | Moderate | Priority 5 | | | | | | ✓ | |
| 107 | 41(6) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| 13 Electricity Licences - Licence Conditions and Obligations | | | | | | | | | | | | | |
| 119 | 12.1 | Moderate | Unlikely | Medium | Moderate | Priority 4 | | | | | | ✓ | |
| 120 | 13.4 | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| 121 | 14.2 | Moderate | Unlikely | Medium | Moderate | Priority 4 | | | | | | ✓ | |
| 122 | 20.5 | Moderate | Unlikely | Medium | Moderate | Priority 4 | | | | | | ✓ | |
| 123 | 15.1 | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| 124 | 16.1 | Moderate | Probable | Medium | Moderate | Priority 4 | | | | | | ✓ | |
| 125 | 17.1 & 17.2 | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| 126 | 18.1 | Moderate | Unlikely | Medium | Moderate | Priority 4 | | | | | | ✓ | |
| 15 Electricity industry Metering Code | | | | | | | | | | | | | |
| Part 3 Meters and metering installations | | | | | | | | | | | | | |
| 345 | 3.3B | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| 360 | 3.11(3) | Moderate | Probable | Medium | Moderate | Priority 4 | | | | | | ✓ | |
| 385 | 3.27 | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| Part 4 The metering database | | | | | | | | | | | | | |
| 392 | 4.4(1) | Minor | Probable | Low | Moderate | Priority 5 | | | | | | ✓ | |
| 393 | 4.5(1) | Minor | Unlikely | Low | Moderate | Priority 5 | | | | | | ✓ | |
| 394 | 4.5(2) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| Part 5 Metering services | | | | | | | | | | | | | |
| 409 | 5.4(2) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| 422 | 5.16 | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| 423 | 5.17(1) | Not applicable to SWCJV's operations. As SWCJV does not directly supply energy to customers, it does not bill customers or supply metering services to customers. | | | | | | | | | | | |
| 426 | 5.18 | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| 427 | 5.19(1) | Not applicable to SWCJV's operations. As SWCJV does not directly supply energy to customers, it does not collect customer information. | | | | | | | | | | | |
| 428 | 5.19(2) | | | | | | | | | | | | |
| 429 | 5.19(3) | | | | | | | | | | | | |
| 431 | 5.19(6) | | | | | | | | | | | | |
| Part 7 Notices and confidential information | | | | | | | | | | | | | |
| 437 | 5.21(5) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| 438 | 5.21(6) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | | | |
| Part 8 Dispute resolution | | | | | | | | | | | | | |

| # | Obligation reference | Consequence | Likelihood | Inherent Risk Rating | Control Assessment | Audit Risk/Priority | Compliance Rating | | | | |
|---|----------------------|--|------------|----------------------|--------------------|---------------------|-------------------|---|---|---|---|
| | | | | | | | NR | 1 | 2 | 3 | 4 |
| 456 | 5.27 | Not applicable to SWCJV's operations. As SWCJV does not directly supply energy to customers, it does not collect customer information. | | | | | | | | | |
| Part 6 Documentation | | | | | | | | | | | |
| 469 | 6.1(2) | Moderate | Unlikely | Medium | Moderate | Priority 4 | | | | ✓ | |
| Part 7 Notices and confidential information | | | | | | | | | | | |
| 472 | 7.2(1) | Minor | Unlikely | Low | Moderate | Priority 5 | | | | ✓ | |
| 474 | 7.2(4) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | |
| 475 | 7.2(5) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | |
| 476 | 7.5 | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | |
| 477 | 7.6(1) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | |
| Part 8 Dispute resolution | | | | | | | | | | | |
| 478 | 8.1(1) | Minor | Unlikely | Low | Moderate | Priority 5 | ✓ | | | | |
| 479 | 8.1(2) | Minor | Unlikely | Low | Moderate | Priority 5 | ✓ | | | | |
| 480 | 8.1(3) | Minor | Unlikely | Low | Moderate | Priority 5 | ✓ | | | | |
| 481 | 8.1(4) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | |
| 482 | 8.3(2) | Minor | Unlikely | Low | Moderate | Priority 5 | ✓ | | | | |
| Obligations removed from the May 2011 Reporting Manual, but included in the June 2010 Reporting Manual⁵ (3 Obligations below apply to SWCJV's operations for the period 1 July 2010 to 30 April 2011) | | | | | | | | | | | |
| 103 | 12.2 | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | |
| 104 | 12.3 | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | |
| 326 | 3.5(6) | Not applicable to SWCJV's operations as the Joint Venture is not the network operator according to the Electricity Industry Metering Code 2005. | | | | | | | | | |
| Obligations removed from the February 2013 Reporting Manual, but included in the May 2011 and June 2010 Reporting Manual⁶ (3 Obligations below apply to SWCJV's operations for the period 1 May 2011 to 31 December 2012) | | | | | | | | | | | |
| 361 | 3.16(5) | Not applicable to SWCJV's operations as this clause refers to Western Power's production of a "notional wholesale meter" value through the conversion of non-interval meter consumption to a notional interval meter quantity. As Western Power's tariff meters are all interval meters, such conversion is not required. Accordingly, a related service level agreement is also not required. | | | | | | | | | |
| 395 | 5.5(3) | Moderate | Unlikely | Medium | Moderate | Priority 4 | ✓ | | | | |
| 412 | 5.19(4) | Not applicable to SWCJV's operations. As SWCJV does not directly supply energy to customers, it does not collect customer information. | | | | | | | | | |

⁵ Numbering based on the June 2010 Reporting Manual

⁶ Numbering based on the May 2011 Reporting Manual

4 Detailed findings, recommendations and action plans

The following sub-sections are categorised by the relevant instruments that require an assessment of SWCJV's compliance. The instruments relevant to SWCJV's licence are:

1. Electricity Industry Act 2004
2. Electricity Licenses - Licence Conditions and Obligations
3. Electricity Industry Metering Code 2005.

Each sub-section contains:

- **Not applicable obligations** – an outline of and the reasons as to why the obligations were assessed as not applicable
- **Not rateable obligations** – the obligations assessed as not rated for the audit period and reasons for this assessment
- **Assessment of compliance** – the conclusions from our audit procedures and a determination of SWCJV's compliance with the applicable obligations. These tables include (where relevant):
 - *Findings* – the auditor's understanding of the process and any issues that have been identified during the audit
 - *Recommendations* – recommendations for improvement or enhancement of the process or control {note that this audit did not make any recommendations}
 - *Action plans* – SWCJV's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit, assignment of the actions to appropriate staff and corresponding completion dates for the actions {note that, as this audit did not make any recommendations, no action plans were developed}.

4.1 Electricity Industry Act 2004

Obligations determined to be not applicable

All relevant obligations were deemed applicable to SWCJV's operations for the period subject to audit.

Obligations determined to be not rateable

SWCJV's compliance with the following obligation could not be rated as there was no relevant activity during the period subject to audit.

| Obligation | Reason |
|------------|--|
| 107 | <p>The Facility Manager confirmed that for the period 1 July 2010 to 30 June 2013, SWCJV:</p> <ul style="list-style-type: none"> Continued to sub-lease land from Worsley Alumina Pty Ltd (WAPL) Did not take an interest in or an easement over land. <p>Accordingly, there has been no requirement for SWCJV to pay for associated costs during the period subject to audit.</p> |

Assessment of compliance

The table below summarises the audit's assessment of SWCJV's compliance with the relevant obligations of the Electricity Industry Act 2004.

| | | Non-compliant | | Compliant | | | Total |
|-----|-----|---------------|---|-----------|---|---|-------|
| N/A | N/R | 1 | 2 | 3 | 4 | 5 | |
| - | 1 | - | - | - | - | 6 | 7 |

The following table provides detailed findings for the applicable and rateable obligation with an individual assessment of compliance.

| No | Obligation under Condition | Compliance Rating | Findings |
|-----|---|-------------------|---|
| 101 | A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority. | Compliant - 5 | Deloitte was appointed with the Authority's approval to undertake the performance audit for the period 1 July 2010 to 30 June 2013. This is the third audit conducted by an independent expert since the granting of the Licence in June 2006. The 2010 performance audit report was provided to the Authority in September 2010. |
| 102 | A licensee must provide for an asset management system. | Compliant - 5 | <i>Obligations 102 and 103</i> We sighted SWCJV's initial notification of its asset management system to the Authority as part of its licence application. In accordance with section 14(2) of the Act, which requires SWCJV's asset management system to set out the measures to be taken for the proper maintenance of assets used in the operation of its generating works, that initial notification to the Authority included a summary description of: |
| 103 | A licensee must notify details of the asset management system and any substantial changes to it to the Authority. | Compliant - 5 | <ul style="list-style-type: none"> • SWCJV's asset management philosophies, which are articulated in an asset management plan • The arrangements in place for asset operations and maintenance tasks to be planned and scheduled by WAPL, using WAPL's SAP based maintenance management system. <p>The Facility Manager confirmed that for the duration of the period 1 July 2010 to 30 June 2013 SWCJV had:</p> <ul style="list-style-type: none"> • Provided for a functioning asset management system, for its single generating facility (note that the 2013 Asset Management System review will report on the effectiveness of that system for the period) • Not required its asset management system to be modified to accommodate new generating works or new technologies • Not changed its asset management philosophies. |
| 104 | A licensee must provide the Authority with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the Authority. | Compliant - 5 | Deloitte was appointed, with the Authority's approval, to undertake the asset management system review for the period 1 July 2010 to 30 June 2013. Deloitte, with the Authority's approval, engaged KT & Sai Associates to address technical aspects of the review. This is the third review of the asset management system since the granting of the Licence in June 2006. The 2010 asset management system review report was provided to the Authority in October 2010. |
| 105 | A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence. | Compliant - 5 | By obtaining evidence of payment of the 2010/11, 2011/12 and 2012/13 licence fees, we confirmed that all payments were made within one month as required by section 17(1) of the Act. |

| No | Obligation under Condition | Compliance Rating | Findings |
|-----|--|-------------------|--|
| 106 | A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause. | Compliant - 5 | <p>Through discussions with the Facility Manager and WAPL Powerhouse Superintendent; and consideration of SWCJV's operating arrangements, including formal agreements with WAPL and GECS, we determined that a key objective of all stakeholders is to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity.</p> <p>The following circumstances impact on the facility's availability:</p> <ul style="list-style-type: none"> • As the cogeneration facility operates a single gas turbine and heat recovery steam generator, there is no contingency or back up available in the event of an interruption to the supply of electricity • The facility is required to meet or exceed 95% availability for its designated operating periods (i.e. periods other than scheduled maintenance outages) • As the inherent purpose of the cogeneration facility is to supply steam and electricity to the BHP Billiton Worsley Alumina refinery, WAPL has a direct incentive to maintain the facility's availability so that the required levels of steam are supplied to the refinery • WAPL's contractual responsibility for the day-to-day operation and maintenance of the facility enables WAPL to closely manage plant availability • The long term services agreement with GECS to perform major maintenance activities and to provide an on-site engineering presence provides a further level of support for achieving the required 95% availability. <p>We examined records of plant availability over the last three financial years, which indicate that after allowing for planned maintenance activity, the gas turbine unit achieved availability of 98.7% in 2010/11, 96.6% in 2011/12 and 98.6% in 2012/13.</p> |

4.2 Electricity Licences – Licence Conditions and Obligations

Obligations determined to be not applicable

All relevant obligations were deemed applicable to SWCJV's operations for the period subject to audit.

Obligations determined to be not rateable

SWCJV's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

| Obligation | Reason |
|----------------------------|--|
| (103 and 104) ⁷ | The Facility Manager confirmed that, for the period 1 July 2010 to 30 April 2011, SWCJV did not expand or reduce its generating works. |
| 120 | The Facility Manager confirmed that, for the period 1 July 2010 to 30 June 2013, SWCJV was not prescribed individual performance standards by the Authority. |
| 123 | During the period 1 July 2010 to 30 June 2013, SWCJV was not under external administration and has not undergone any significant change in circumstances upon which its Licence was granted, which may affect its ability to meet its Licence obligations. Accordingly, there was no obligation to report to the Authority. |
| 125 | The Facility Manager confirmed that, for the period 1 July 2010 to 30 June 2013, the Authority did not direct SWCJV to publish any information. |

Assessment of compliance

The table below summarises the audit's assessment of SWCJV's compliance with the relevant obligations of its Licence.

| | | Non-compliant | | Compliant | | | Total |
|-----|-----|---------------|---|-----------|---|---|-------|
| N/A | N/R | 1 | 2 | 3 | 4 | 5 | |
| - | 5 | - | - | - | - | 5 | 10 |

The following table provides detailed findings for the applicable and rateable obligation with an individual assessment of compliance.

Note that separate findings are not provided for the obligations that are not applicable or cannot be rated, as detailed in the table above.

⁷ Obligation numbers relate to the June 2010 Compliance Reporting Manual and are only applicable for the period 1 July 2010 to 30 April 2011

| No | Obligation under Condition | Compliance Rating | Findings |
|-----|---|-------------------|--|
| 119 | A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards. | Compliant - 5 | In accordance with its Joint Venture agreement, SWCJV prepares special purpose accounts, which are audited by the Office of the Auditor General (OAG) against the requirements of the Joint Venture. We examined the special purpose accounts for the 2010/11, 2011/12 and 2012/13 financial years and determined that the accounts were unqualified by the OAG. The Facility Manager confirmed that for the period 1 July 2010 to 30 June 2013 there were no significant accounting transactions or items that would jeopardise SWCJV's compliance with Australian Accounting Standards Board standards. |
| 121 | A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit. | Compliant - 5 | <p><i>Obligations 121 and 122</i></p> <p>The audit and review plans approved by the Authority on 26 August 2013, commit SWCJV and Deloitte (independent expert) to complying with the prescribed audit guidelines and reporting manual issued by the Authority. Deloitte confirms that the audit and review were undertaken utilising the framework from the <i>Audit Guidelines: Electricity, Gas and Water Licences</i>, dated August 2010.</p> |
| 122 | A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the Authority's standard guidelines dealing with the asset management system. | Compliant - 5 | |
| 124 | A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act. | Compliant - 5 | Through discussions with the Facility Manager, we determined that SWCJV has processes in place to respond to requests for information from the Authority. We note that: <ul style="list-style-type: none"> • The Facility Manager is responsible for: <ul style="list-style-type: none"> ○ Maintaining records of communication with the Authority, including timing for submission of required information and reports ○ Monitoring compliance with SWCJV's licence obligations. • SWCJV is required to submit compliance reports to the Authority by 31 August each year. We sighted the 2011 and 2012 submission letters for SWCJV's compliance reports and confirmed that both letters were dated prior to 31 August each year. |
| 126 | Unless otherwise specified, all notices must be in writing. | Compliant - 5 | The Facility Manager confirmed that: <ul style="list-style-type: none"> • SWCJV maintains records, within its Document Management System (DMS), to evidence formal communications with the Authority • All responses to the Authority's requests are made in writing, unless otherwise requested. |

4.3 Electricity Industry Metering Code 2005

Obligations determined to be not applicable

The following obligations are not applicable to SWCJV's operations:

| Obligation | Reason |
|--|--|
| 423 | Clause 5.17 is not applicable to SWCJV's operations as SWCJV does not bill customers directly or supply metering services. |
| 427 – 429, 431, 456 and 412 ⁹ | Clause 5.19 of the Metering Code relates to the provision of customer information. As SWCJV does not directly supply energy to a customer outside of its arrangements with WAPL and Verve Energy, it does not collect customer information. Accordingly, obligations relating to customer information are not applicable to SWCJV's operations. |
| 326 ⁸ | Clause 3.5(6) is not applicable to SWCJV's operations as SWCJV is not the Network Operator according to the Electricity Industry Metering Code 2005. |
| 361 ⁹ | Clause 3.16(5) is not applicable to SWCJV's operations as this clause refers to Western Power's production of a "notional wholesale meter" value through the conversion of non-interval meter consumption to a notional interval meter quantity. As Western Power's tariff meters are all interval meters, such conversion is not required. Accordingly, a related service level agreement is also not required. |

Obligations determined to be not rateable

SWCJV's compliance with the following obligation could not be rated as there was no relevant activity in the period subject to audit.

| Obligation | Reason |
|------------------|---|
| 345 | This obligation, which was introduced to the Metering Code effective 7 December 2012, requires SWCJV to inform Western Power of any change to a metering point within two business days, where the meter has become subject to bi-directional electricity flows. The Facility Manager confirmed that: <ul style="list-style-type: none"> All of SWCJV's meters are subject to bi-directional electricity flows During the period 7 December 2012 to 30 June 2013, no additional metering installations had become subject to bi-directional electricity flows. |
| 385 | The Facility Manager confirmed that for the period 1 June 2010 to 30 July 2013, SWCJV had not installed any metering installations in relation to its operations or the network operated by Western Power. |
| 394, 422 and 426 | The following activities in relation to the metering installations located on SWCJV's site are performed solely by Western Power: <ul style="list-style-type: none"> Maintenance of data, including standing data, within the metering database and registry (obligation 394) Collection of energy data from metering installations (obligation 422) Collection of information regarding changes in a metering installation (e.g. energisation status) (obligation 426). SWCJV does not have any influence/visibility of the metering database and registry and therefore is not in a position of influence over the data contained within the database and registry (obligation 394). |

⁸ Numbering based on the June 2010 Reporting Manual

⁹ Numbering based on the May 2011 Reporting Manual

| Obligation | Reason |
|-------------------|--|
| 409 | The Facility Manager confirmed that all meters installed at the SWCJV site are designated as interval meters within the network operator's metering database. Therefore, until such time meters are installed or designated as accumulation meters, an assessment of compliance with clause 5.4(2) cannot be made for the period subject to audit. |
| 437 and 438 | The Facility Manager confirmed that, during the period 1 July 2010 to 30 July 2013, SWCJV did not request a test or audit of the items at s.5.21(1) of the Metering Code. Therefore an assessment of SWCJV's compliance with these obligations cannot be made for the period subject to audit. |
| 474 and 475 | The Facility Manager confirmed that, during the period 1 July 2010 to 30 June 2013, SWCJV had not: <ul style="list-style-type: none"> • Been requested by a Code Participant to provide notification of its contact details • Made any changes to its contact details. |
| 476 and 477 | As a result of the nature of SWCJV's operations, there is no instance where SWCJV would be aware of any confidential information, which would be required not to be disclosed under clause 8.1(2). Further, the Facility Manager confirmed that, during the period 1 July 2010 to 30 June 2013, SWCJV was not required under a provision in the Metering Code to disclose confidential information. |
| 478 - 482 | For the purposes of the Metering Code, 'disputes' refers to metering disputes between SWCJV as a Code Participant, a retailer, another generator, the network operator (Western Power), a user or the IMO. As the definition of Code Participant applies, the only possible party with whom SWCJV may have a dispute is Western Power. The Facility Manager confirmed that no metering disputes have arisen between SWCJV and Western Power during the period 1 July 2010 to 30 June 2013. Accordingly, an assessment of compliance with s.8.1 of the Metering Code cannot be made for the period subject to audit. |
| 395 ¹⁰ | For the period 1 July 2010 to 31 March 2012, SWCJV did not have access to data provided for in the Metering Code, for which to impose a charge for providing to another party. |

Assessment of compliance

The table below summarises the audit's assessment of SWCJV's compliance with the relevant obligations of the Electricity Metering Code 2005.

| N/A | N/R | Non-compliant | | Compliant | | | Total |
|-----|-----|---------------|---|-----------|---|---|-------|
| | | 1 | 2 | 3 | 4 | 5 | |
| 9 | 18 | - | - | - | - | 5 | 32 |

The following table provides detailed findings for the applicable and rateable obligations with an individual assessment of compliance.

Note that separate findings are not provided for the obligations that are not applicable or cannot be rated, as detailed in the table above.

¹⁰ Numbering based on the May 2011 Reporting Manual

| No | Obligation under Condition | Compliance Rating | Findings |
|-----|--|-------------------|---|
| 360 | A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable. | Compliant - 5 | <i>Obligations 360 and 392</i> Through discussions with the Facility Manager and consideration of SWCJV's procedures for monitoring the electricity generation of its powerhouse, we determined that: <ul style="list-style-type: none"> Western Power owns and operates all of SWCJV's meters and is responsible for the collection and maintenance of metering data |
| 392 | If there is a discrepancy between energy data held in a metering installation and data held in the metering database, the affected Code participants and the network operator must liaise together to determine the most appropriate way to resolve a discrepancy. | Compliant - 5 | <ul style="list-style-type: none"> SWCJV's procedures for receiving metering data from Western Power are: <ul style="list-style-type: none"> Metering data received from Western Power every month is monitored by the Senior Trading Analyst – Verve Energy (on behalf of SWCJV), who reviews against production data from the plant (for example, to confirm that actual outage periods have been correctly reflected in the metering data) If SWCJV identifies that a meter is either not reading or there is a temporary outage, the Facility Manager liaises with Western Power to resolve the issue as a matter of urgency. <p>In relation to an occasion in October 2011 where SWCJV became aware of an outage to a metering installation, we sighted evidence of SWCJV's notification to Western Power and subsequent assistance to resolve the issue and obtain substitute data.</p> |
| 393 | A Code participant must not knowingly permit the registry to be materially inaccurate. | Compliant - 5 | Through discussions with the Facility Manager and consideration of SWCJV's meter data reconciliation process, we determined that SWCJV has the following procedures in place: <ul style="list-style-type: none"> SWCJV identifies any discrepancy in meter data via the monthly reconciliation process If any material discrepancies arise, SWCJV resolves the issue directly with Western Power. <p>The Facility Manager confirmed that during the period 1 July 2010 to 30 June 2013, SWCJV did not have access to, nor influence over tariff meter standing data or data held in the registry and was not aware of any material inaccuracy in the metering database maintained by Western Power. Accordingly, SWCJV was not in a position to determine the accuracy of standing data held in the registry.</p> |
| 469 | A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed. | Compliant - 5 | Section 6.1(2) of the Metering Code requires SWCJV (as a user) to comply with the network operator's Metrology procedure, Communication rules, Mandatory Link Criteria or Service Level Agreements (SLA) (if any). As SWCJV does not have a specific SLA in place with Western Power, the Metering Code model SLA provides the most relevant reference for the provision of metering services. We did not observe any evidence to indicate non-compliance with the requirements of Western Power's Metrology procedure, Communication rules or Mandatory Link Criteria. The Facility Manager confirmed that SWCJV is aware of and complies with the relevant requirements prescribed within the above documents. |

| No | Obligation under Condition | Compliance Rating | Findings |
|-----|--|-------------------|---|
| 472 | Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code. | Compliant - 5 | <p>Through discussions with the Facility Manager and consideration of SWCJV's business practices, we determined that SWCJV maintains electronic and voice communication channels commensurate with the expectations of a major business.</p> <p>Verve Energy's access contract with Western Power (for which SWCJV is separately listed) contains SWCJV's current contact details, including details for all of the communication methods listed above.</p> |

Appendix A – Audit Plan

**South West Cogeneration
Joint Venture**

**Electricity Generation Licence
(EGL9)**

2013 Performance Audit

Audit Plan

July 2013

Contents

| | | |
|---|---|----|
| 1 | Introduction | 1 |
| | Overview | 1 |
| | Objective | 1 |
| | Scope | 1 |
| | Responsibility | 3 |
| 2 | Approach | 4 |
| | Risk assessment | 4 |
| | Systems analysis/walkthrough | 6 |
| | Testing/review | 6 |
| | Reporting | 7 |
| 3 | General information | 8 |
| | Key SWCJV contacts | 8 |
| | Deloitte staff | 8 |
| | Timing | 8 |
| | Appendix 1 – Risk assessment key | 9 |
| | Appendix 2 – Risk assessment | 11 |
| | Appendix 3 – New and superseded obligations | 15 |
| | Appendix 4 – Previous audit recommendations | 16 |

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1 Introduction

Overview

The Economic Regulation Authority (**the Authority**) has under the provisions of the Electricity Industry Act 2004 (**the Act**), issued to South West Cogeneration Joint Venture (**SWCJV**) an Electricity Generation Licence (**the Licence**). The owning joint venture partners of SWCJV are Electricity Generation Corporation (trading as Verve Energy) and Origin Energy.

Section 13 of the Electricity Industry Act requires SWCJV to provide to the Authority a performance audit (**the audit**) conducted by an independent expert acceptable to the Authority not less than once in every 24 month period. With the Authority's approval, Deloitte Touche Tohmatsu (**Deloitte**) has been appointed to conduct the audit for the period 1 July 2010 to 30 June 2013.

SWCJV has been granted a licence to operate existing generating works on a 120 MW natural gas fired cogeneration facility, which supplies steam and electricity to the BHP Billiton Worsley Alumina refinery near Bunbury in Western Australia and electricity to the Wholesale Electricity Market (WEM). The cogeneration plant commenced commercial operation in November 2000.

The audit will be conducted in accordance with the August 2010 issue of the *Audit Guidelines: Electricity, Gas and Water Licences* (**Audit Guidelines**). In accordance with the Audit Guidelines this document represents the Audit Plan (**the Plan**) that is to be agreed upon by Deloitte and SWCJV and presented to the Authority for approval.

Objective

The performance audit is defined as an examination of the measures taken by SWCJV to meet the performance criteria specified in its Licence.

The audit is designed to provide reasonable assurance regarding the assessment of appropriateness, effectiveness and efficiency associated with SWCJV's compliance with its Licence. The audit will specifically consider the following:

- Process compliance - the effectiveness of systems and procedures in place throughout the audit period, including assessing the adequacy of internal controls
- Outcome compliance - the actual performance against standards prescribed in the Licence throughout the audit period
- Output compliance - the existence of the output from systems and procedures throughout the audit period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained)
- Integrity of performance - the completeness and accuracy of the performance reporting to the Authority
- Compliance with any individual licence conditions - the requirements imposed on SWCJV by the Authority or specific issues for follow-up that are advised by the Authority.

Scope

The Authority provides guidance on those aspects of the Licence and SWCJV's performance criteria, which it expects to be reported upon and included in the scope of the performance audit in its *Electricity Compliance Reporting Manual* (**Reporting Manual**).

The audit approach applies the singular audit priority assessment approach to identify all applicable licence obligations. Each of the compliance requirements identified in the Compliance Reporting Manual have been evaluated for applicability to SWCJV's operations and used as the basis for determining the performance criteria to be considered for the audit.

The audit period is 1 July 2010 to 30 June 2013.

Since SWCJV's previous EGL performance audit in 2010, the Reporting Manual has undergone two revisions. For the period subject to audit, the three versions of the Reporting Manual are applicable to the periods outlined below:

| Reporting Manual version | Applicable period |
|--------------------------|--|
| July 2010 | 1 July 2010 to 30 April 2011 |
| May 2011 | 1 May 2011 to 31 December 2012 Metering Code: 1 May 2011 to 6 December 2012 |
| June 2013 | 1 January to 30 June 2013 Metering Code: 7 December 2012 to 30 June 2013 |

The May 2011 version of the Reporting Manual was published to accommodate, among other changes, the removal of three obligations specific to electricity generation licences (two relating to Electricity Licences and one relating to the Metering Code).

The current version of the Reporting Manual was released in June 2013 to accommodate the following revisions (specific to electricity generation licences) to the Metering Code:

- Addition of one obligation, which became applicable from 7 December 2012
- Removal of three obligations, which were applicable to 6 December 2012.

This audit will consider all obligations that existed at any point during the audit period.

Refer to **Appendix 3** for further detail on obligations introduced and superseded through relevant revisions to Codes and licences.

Table 1 below outlines the compliance requirements that apply to SWCJV's operations during the period subject to audit. Where necessary, further explanation is provided to describe the extent of application of those obligations. The assessment is made against the current (June 2013) Reporting Manual. Note that four additional obligations are applicable for part of the audit period, where the obligation was removed from the relevant Code or Licence Condition during the period.

Table 1 – Application of legislative elements to SWCJV's operations

| Legislative element | Application to SWCJV's operations |
|------------------------------------|---|
| Electricity Industry Act | Seven of the 13 Electricity Industry Act obligations apply to SWCJV's Electricity Generation Licence. |
| Electricity Licences | Eight of the 15 Electricity Licence obligations apply to SWCJV's Electricity Generation Licence. Note that two Electricity Licence obligations, which were removed in 2011 are relevant for the period 1 July 2010 to 30 April 2011. |
| Electricity Industry Metering Code | 28 of the 145 Metering Code obligations apply to SWCJV's Electricity Generation Licence. Note that of four Metering Code obligations, which were removed during the period, three (326, 361 and 412) are not applicable to SWCJV's operations. |

Responsibility

SWCJV's responsibility for compliance with the conditions of the Licence

SWCJV is responsible for:

- Putting in place policies, procedures and controls, which are designed to ensure compliance with the conditions of its Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority
- Implementing corrective actions for instances of non-compliance.

Deloitte's responsibility

Our responsibility is to express a conclusion on SWCJV's compliance with the conditions of its Licence based on our procedures. We will conduct our engagement in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (ASAE) 3500 *Performance Engagements*¹ issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in our opinion, based on the procedures performed, the conditions of the Licence have been complied with. Our engagement will provide reasonable assurance as defined in ASAE 3500.

Limitations of use

This report is intended solely for the information and internal use of SWCJV, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report. We do not accept or assume responsibility to anyone other than SWCJV for our work, for this report, or for any reliance which may be placed on this report by any party other than SWCJV.

Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, readers of our report should not rely on the report to identify all potential instances of non-compliance which may occur.

Independence

In conducting our engagement, we will comply with the independence requirements of the Australian professional accounting bodies.

¹ ASAE 3500 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3100 *Compliance Engagements* and ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

2 Approach

The audit will be conducted in three distinct phases, being a risk assessment, system analysis/walkthrough and testing and review. From the audit results, a report will be produced to outline findings, overall compliance assessments and recommendations for improvement in line with the Audit Guidelines. Each step of the audit is discussed in detail below.

Risk assessment

The audit will focus on identifying or assessing those activities and management control systems to be examined and the matters subject to audit. Therefore, the purpose of conducting the risk assessment as a preliminary phase enables the auditor to focus on pertinent/high risk areas of SWCJV's licence obligations. The risk assessment gives specific consideration to the changes to SWCJV's systems and processes and any matters of significance raised by the Authority and/or SWCJV. The level of risk and materiality of the process determine the level of audit required i.e. the greater the materiality and the higher the risk, the more audit effort to be applied.

The first step of the risk assessment is the rating of the potential consequences of SWCJV not complying with its licence obligations, in the absence of mitigating controls. As the Reporting Manual is prescriptive in its criteria for classifying the consequences of non-compliance (refer to **Appendix 1-1**) the risk assessment applies the Compliance Reporting Manual's classifications for each obligation subject to audit. Reference is also made to the consequence rating descriptions listed at Table 10 of the Audit Guidelines (refer to **Appendix 1-2**), providing the risk assessment with context to ensure the appropriate consequence rating is applied to each obligation subject to audit.

Once the consequence has been determined, the likelihood of SWCJV not complying with its obligations is assessed using the likelihood rating listed at Table 11 of the Audit Guidelines (refer to **Appendix 1-3**). The assessment of likelihood is based on the expected frequency of SWCJV's non-compliance with the relevant licence obligation over a period of time.

Table 2 below (sourced from Table 12 of the Audit Guidelines) outlines the combination of consequence and likelihood ratings to determine the level of inherent risk associated with each individual obligation.

Table 2: Inherent risk rating

| Likelihood | Consequence | | |
|------------|-------------|----------|-------|
| | Minor | Moderate | Major |
| Likely | Medium | High | High |
| Probable | Low | Medium | High |
| Unlikely | Low | Medium | High |

Once the level of inherent risk has been determined, the adequacy of existing controls is assessed in order to determine the level of control risk. Controls are assessed and prioritised as weak, moderate or strong dependant on their suitability to mitigate the risks identified. The control adequacy ratings used by this risk assessment are aligned to the ratings listed at Table 14 of the Audit Guidelines (refer to **Appendix 1-4**).

Once inherent risks and control risks are established, the audit priority can then be determined using the matrix listed at Table 15 of the Audit Guidelines (refer to **Table 3** below). Essentially, the higher the level of risk the more substantive testing is required.

Table 3: Assessment of Audit Priority

| Inherent Risk | Adequacy of existing controls | | |
|---------------|-------------------------------|------------------|------------------|
| | Weak | Moderate | Strong |
| High | Audit priority 1 | Audit priority 2 | |
| Medium | Audit priority 3 | | Audit priority 4 |
| Low | Audit priority 5 | | |

The following table outlines the audit requirement for each level of audit priority. Testing can range from extensive substantive testing around the controls and activities of particular processes to confirming the existence of controls through discussions with relevant staff.

Table 4: Audit Priority Table

| Priority rating and resulting audit procedures | |
|--|--|
| Rating | Audit requirement |
| Audit Priority 1 | <ul style="list-style-type: none"> • Controls testing and extensive substantive testing of activities and/or transactions • Follow-up and if necessary, re-test matters previously reported. |
| Audit Priority 2 | <ul style="list-style-type: none"> • Controls testing and moderate substantive testing of activities and/or transactions • Follow-up and if necessary, re-test matters previously reported. |
| Audit Priority 3 | <ul style="list-style-type: none"> • Limited controls testing (moderate sample size). Only substantively test transactions if further control weakness found • Follow-up of matters previously reported. |
| Audit Priority 4 | <ul style="list-style-type: none"> • Confirmation of existing controls via observation and walk through testing • Follow-up of matters previously reported. |
| Audit Priority 5 | <ul style="list-style-type: none"> • Confirmation of existing controls via observation, discussions with key staff and/or reliance on key references (“desktop review”). |

The risk assessment has been discussed with stakeholders to gain their input as to the appropriateness and factual accuracy of risk and control ratings and associated explanations. The key sources considered in reaching our preliminary assessment of the risk and control ratings were based on:

- Prior assessments of the state of controls during the 2010 SWCJV EGL Performance audit
- Consideration of annual compliance reports
- Our understanding of SWCJV’s regulatory environment
- Any other factors that may have an effect on the level of risk or strength of controls.

At this stage, the risk assessment can only be a preliminary assessment based on reading of documentation and interviews by the auditors. It is possible that the ratings and risk assessment comments may be revised as we conduct our work and new evidence comes to light. Accordingly the risk assessment for the performance audit is a preliminary draft, not a final report, and no reliance should be placed on its findings. It is however an invaluable tool for focussing the audit effort.

The performance audit risk assessment is attached at **Appendix 2**.

Systems analysis/walkthrough

The systems analysis required will be determined utilising the audit priority scale outlined above. Once the priority level has been defined the testing component will take place by way of interviewing key operational and administrative staff who will outline information that displays compliance with the Licence requirements.

In performing our analysis/walkthrough of SWCJV's systems and processes, we will consider the following:

- The control environment: SWCJV's management philosophy and operating style, organisational structure, assignment of authority and responsibilities, the use of internal audit, the use of information technology and the skills and experience of key staff members
- Information systems: the appropriateness of SWCJV's information systems (in particular, those relating to customer service, network management & control, metering services and resource planning) to record the information needed to comply with the licence, the accuracy of data, the security of data and documentation describing the information system
- Control procedures: the presence of systems and procedures to ensure compliance with the licence, effectiveness of SWCJV's internal control structure to detect and correct non-compliance. Specific consideration will be given to and significant changes in relevant systems and procedures implemented during the period subject to audit
- Compliance attitude: action taken by SWCJV in response to any previous audit recommendations. Consideration will be given to the timing of action taken during the period subject to audit and whether the action has a permanent impact on SWCJV's level of compliance
- Outcome compliance: actual performance against standards prescribed in the licence throughout the audit period.

Where required, an observation of processes, procedures and operations and review of key documents will occur to assist in the determination of SWCJV's compliance with Licence obligations. Key documents, which may be subject to audit, are not specifically disclosed in this plan. A list of documents examined will be included in the audit report.

Testing/review

Using the results of the risk assessment and systems analysis, detailed testing and analysis will be performed to compare those standards maintained by SWCJV with the relevant sections and schedules of the Licence.

Controls testing is performed for those licence obligations with an audit priority 3 and above (refer to table 4), and where there is relevant activity (note that the current risk assessment does not rate any licence obligation with an audit priority 3 or above). This method of testing will involve:

- Understanding the population of transactions
- Selecting a sample of transactions to examine compliance with relevant sections of applicable Codes/Regulations
- Comparing the sample selected to expected requirements as mandated by relevant sections of applicable Codes/Regulations.
- A full work program will be completed to record the specific aspects of our testing and analyses for each licence obligation. This work program will be based on:
 - The audit priority determined by the risk assessment to be applicable each licence obligation
 - The results of the systems analysis performed, as described above
 - Deloitte's pre-determined sampling methodology, which takes account of the volume and frequency (e.g. daily, weekly, monthly, annual) of relevant transactions. Sample sizes typically range from 1 to 30, increasing with the volume and frequency of transactions
 - The location of personnel and transactions to be tested.

Reporting

In accordance with the Audit Guidelines, all aspects of compliance with the Licence will be assessed according to the rating scale based on the work performed. Refer to **Table 5** below for the compliance levels that will be used for the performance audit.

Table 5: Operational/performance compliance rating scale

| Name | Rating | Description |
|-----------------------------|--------|--|
| 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 |
| Not applicable | N/A | Determined that the compliance obligation does not apply to the licensee's business operations |
| Not rated | N/R | No relevant activity took place during the audit period; therefore it is not possible to assess compliance. |

The performance audit report will also be structured to address all key components expected by the Audit Guidelines, including:

- An executive summary containing all elements listed in section 11 of the Audit Guidelines
- Performance/compliance summary and rating for each licence condition – in tabular form
- Audit observations
- Where appropriate, recommendations on actions required to address areas of non-compliance.

Where appropriate, SWCJV will provide a post audit implementation plan for incorporation into the report.

3 General information

All aspects of the audit will undergo quality assurance and review procedures as outlined in our previous communications. Before delivery of a final report, full quality procedures will be applied, including second partner review.

Key SWCJV contacts

The key contacts for this audit are:

- Andy Wearmouth Facilities Manager
- Tony Minards Lead Engineer Power House for Operations (BHPB Worsley Alumina)

Deloitte staff

Deloitte staff who will be involved with this assignment are:

- Richard Thomas Partner
- Andrew Baldwin Account Director
- Emlyn King Analyst
- Darren Gerber QA Partner

Resumes for key Deloitte staff are outlined in the proposal accepted by Verve Energy on behalf of SWCJV and subsequently presented to the Authority.

Timing

The initial risk assessment phase was completed in July 2013. On 30 July 2013 the audit plan and detailed risk assessment were presented to the Authority for review and comment.

The remainder of the fieldwork phase is scheduled to be performed in August 2013.

Deloitte's time and staff commitment to the completion of the audit is outlined in the proposal accepted by Verve Energy, on behalf of SWCJV, and subsequently presented to the Authority. In summary, the estimated time allocated to each activity is as follows:

- Planning (including risk assessment): 12 hours
- Fieldwork: 32 hours
- Reporting: 16 hours.

Appendix 1 – Risk assessment key

1-1 Criteria for classification

Source: Electricity Compliance Reporting Manual February 2013

| Rating (type) | Classification of Non-Compliance | Criteria for classification |
|---------------|----------------------------------|---|
| 1 | Major | <p>Classified on the basis that:</p> <ul style="list-style-type: none"> ▪ the consequences of non-compliance would cause major damage, loss or disruption to customers; or ▪ the consequences of non-compliance would endanger or threaten to endanger the safety or health of a person. |
| 2 | Moderate | <p>Classified on the basis that:</p> <ul style="list-style-type: none"> ▪ the consequences of non-compliance impact the efficiency and effectiveness of the licensee's operations or service provision but do not cause major damage, loss or disruption to customers; or ▪ the regulatory obligation is not otherwise classified as a Type 1 or a Type NR non-compliance. <p>Reclassification of Type 2 as a Type 1 may occur in circumstances of systematic non-compliance.</p> |
| NR | Minor | <p>Classified on the basis that:</p> <ul style="list-style-type: none"> ▪ the consequences of non-compliance are relatively minor – i.e. non-compliance will have minimal impact on the licensee's operations or service provision and do not cause damage, loss or disruption to customers; or ▪ compliance with the obligation is immeasurable; or ▪ the non-compliance is required to be reported to the Regulator under another instrument, guideline or code 6; or ▪ the non-compliance is identified by a party other than the licensee ; or ▪ the licensee only needs to use its reasonable endeavours or best endeavours to achieve compliance or where the obligation does not otherwise impose a firm obligation on the licensee. <p>Reclassification of Type NR as a Type 2 may occur in circumstances of:</p> <ul style="list-style-type: none"> ▪ systemic non-compliance; or ▪ a failure to resolve non-compliance promptly. |

1-2 Consequence ratings

Source: Audit Guidelines: Electricity, Gas and Water Licences August 2010

| | Rating | Examples of non-compliance | | | |
|---|----------|---|--|---|--|
| | | Supply Quality | Supply Reliability | Consumer Protection | Breaches of legislation or other licence conditions |
| 1 | Minor | Minor public health and safety issues. Breach of quality standards minor - minimal impact on customers. | System failure or connection delays affecting only a few customers. Some inconvenience to customers. | Customer complaints procedures not followed in a few instances. Nil or minor costs incurred by customers. | Licence conditions not fully complied with but issues have been promptly resolved. |
| 2 | Moderate | Event is restricted in both area and time e.g., supply of service to one street is affected up to one day. Some remedial action is required. | Event is restricted in both area and time e.g., supply of service to one street is affected up to one day. Some remedial action is required. | Lapse in customer service standards is clearly noticeable but manageable. Some additional costs may be incurred by some customers. | Clear evidence of one or more breaches of legislation or other licence conditions and/or sustained period of breaches. |
| 3 | Major | Significant system failure. Life-threatening injuries or widespread health risks. Extensive remedial action required. | Significant system failure. Extensive remedial action required. | | |

1-3 Likelihood ratings

Source: Audit Guidelines: Electricity, Gas and Water Licences August 2010

| | Level | Criteria |
|---|----------|--|
| A | Likely | Non-compliance is expected to occur at least once or twice a year |
| B | Probable | Non-compliance is expected to occur every three years |
| C | Unlikely | Non-compliance is expected to occur at least once every 10 years or longer |

1-4 Adequacy ratings for existing controls

Source: Audit Guidelines: Electricity, Gas and Water Licences August 2010

| Rating | Description |
|----------|--|
| Strong | Strong controls that are sufficient for the identified risks |
| Moderate | Moderate controls that cover significant risks; improvement possible |
| Weak | Controls are weak or non-existent and have minimal impact on the risks |

Appendix 2 – Risk assessment

Obligation numbers and references listed below are sourced from the June 2013 Reporting Manual. Refer to Appendix 3 of the Audit Plan for details of obligations added and removed during the audit period.

| No | Obligation reference | Obligation description | Consequence | Likelihood | Inherent Risk Rating | Control Assessment | Audit Priority |
|--|---|---|-------------|------------|----------------------|--------------------|----------------|
| 12 Electricity Industry Act - Licence Conditions and Obligations | | | | | | | |
| 101 | Electricity Industry Act section 13(1) | A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority. | Minor | Unlikely | Low | Moderate | Priority 5 |
| 102 | Electricity Industry Act section 14(1)(a) | A licensee must provide for an asset management system. | Minor | Probable | Low | Strong | Priority 5 |
| 103 | Electricity Industry Act section 14(1)(b) | A licensee must notify details of the asset management system and any substantial changes to it to the Authority. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 104 | Electricity Industry Act section 14(1)(c) | A licensee must provide the Authority with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the Authority. | Minor | Unlikely | Low | Moderate | Priority 5 |
| 105 | Electricity Industry Act section 17(1) | A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence. | Moderate | Probable | Medium | Moderate | Priority 4 |
| 106 | Electricity Industry Act section 31(3) | A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause. | Minor | Unlikely | Low | Moderate | Priority 5 |
| 107 | Electricity Industry Act section 41(6) | A licensee must pay the costs of taking an interest in land or an easement over land. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 13. Electricity Licences - Licence Conditions and Obligations | | | | | | | |
| 119 | Generation Licence condition 12.1 | A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 120 | Generation Licence condition 13.4 | A licensee must comply with any individual performance standards prescribed by the Authority. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 121 | Generation Licence condition 14.2 | A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 122 | Generation Licence condition 20.5 | A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the Authority's standard guidelines dealing with the asset management system. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 123 | Generation Licence condition 15.1 | A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations. | Moderate | Unlikely | Medium | Moderate | Priority 4 |

| No | Obligation reference | Obligation description | Consequence | Likelihood | Inherent Risk Rating | Control Assessment | Audit Priority |
|---|---|--|---|------------|----------------------|--------------------|----------------|
| 124 | Generation Licence condition 16.1 | A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act. | Moderate | Probable | Medium | Moderate | Priority 4 |
| 125 | Generation Licence condition 17.1 and 17.2 | A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 126 | Generation Licence condition 18.1 | Unless otherwise specified, all notices must be in writing. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 15. Electricity Industry Metering Code - Licence Conditions and Obligations | | | | | | | |
| 345 | Electricity Industry Metering Code clause 3.3B | A user who is aware of bi-directional flows at a metering point which was not previously subject to a bi-directional electricity flows or any changes in a customer's or user's circumstances in a metering point which will result in bi-directional electricity flows must notify the network operator within 2 business days. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 360 | Electricity Industry Metering Code clause 3.11(3) | A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable. | Moderate | Probable | Medium | Moderate | Priority 4 |
| 385 | Electricity Industry Metering Code clause 3.27 | A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 392 | Electricity Industry Metering Code clause 4.4(1) | If there is a discrepancy between energy data held in a metering installation and data held in the metering database, the affected Code participants and the network operator must liaise together to determine the most appropriate way to resolve a discrepancy. | Minor | Probable | Low | Moderate | Priority 5 |
| 393 | Electricity Industry Metering Code clause 4.5(1) | A Code participant must not knowingly permit the registry to be materially inaccurate. | Minor | Unlikely | Low | Moderate | Priority 5 |
| 394 | Electricity Industry Metering Code clause 4.5(2) | Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or an inaccuracy in, an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 409 | Electricity Industry Metering Code clause 5.4(2) | A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under subclause 5.4(1). | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 422 | Electricity Industry Metering Code clause 5.16 | If a user collects or receives energy data from a metering installation then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 423 | Electricity Industry Metering Code clause 5.17(1) | A user must provide standing data and validated, and where necessary substituted or estimated, energy data to the user's customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer. | Not applicable to SWCJV's operations. As SWCJV does not directly supply energy to customers, it does not bill customers or supply metering services to customers. | | | | |
| 426 | Electricity Industry Metering Code clause 5.18 | If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed. | Moderate | Unlikely | Medium | Moderate | Priority 4 |

| No | Obligation reference | Obligation description | Consequence | Likelihood | Inherent Risk Rating | Control Assessment | Audit Priority |
|-----|---|--|--|------------|----------------------|--------------------|----------------|
| 427 | Electricity Industry Metering Code clause 5.19(1) | A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere, and provide that information to the network operator. | Not applicable to SWCJV's operations. As SWCJV does not directly supply energy to customers, it does not collect customer information. | | | | |
| 428 | Electricity Industry Metering Code clause 5.19(2) | A user must, to the extent that it is able, collect and maintain a record of the prescribed information in relation to the site of each connection point with which the user is associated. | | | | | |
| 429 | Electricity Industry Metering Code clause 5.19(3) | Subject to subclauses 5.19(3A) and 5.19(6), the user must within 1 business day after becoming aware of any change in an attribute described in subclause 5.19(2), notify the network operator of the change. | | | | | |
| 431 | Electricity Industry Metering Code clause 5.19(6) | The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user. | | | | | |
| 437 | Electricity Industry Metering Code clause 5.21(5) | A Code participant must not request a test or audit under subclause 5.21(1) unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 438 | Electricity Industry Metering Code clause 5.21(6) | A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 456 | Electricity Industry Metering Code clause 5.27 | Upon request from a network operator, the current user for a connection point must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed. | Not applicable to SWCJV's operations. As SWCJV does not directly supply energy to customers, it does not collect customer information. | | | | |
| 469 | Electricity Industry Metering Code clause 6.1(2) | A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 472 | Electricity Industry Metering Code clause 7.2(1) | Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code. | Minor | Unlikely | Low | Moderate | Priority 5 |
| 474 | Electricity Industry Metering Code clause 7.2(4) | If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 475 | Electricity Industry Metering Code clause 7.2(5) | A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 476 | Electricity Industry Metering Code clause 7.5 | A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 477 | Electricity Industry Metering Code clause 7.6(1) | A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code. | Moderate | Unlikely | Medium | Moderate | Priority 4 |

| No | Obligation reference | Obligation description | Consequence | Likelihood | Inherent Risk Rating | Control Assessment | Audit Priority |
|--|---|--|--|------------|----------------------|--------------------|----------------|
| 478 | Electricity Industry Metering Code clause 8.1(1) | If any dispute arises between any Code participants then (subject to subclause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith. | Minor | Unlikely | Low | Moderate | Priority 5 |
| 479 | Electricity Industry Metering Code clause 8.1(2) | If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith. | Minor | Unlikely | Low | Moderate | Priority 5 |
| 480 | 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. | Minor | Unlikely | Low | Moderate | Priority 5 |
| 481 | Electricity Industry Metering Code clause 8.1(4) | 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. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 482 | Electricity Industry Metering Code clause 8.3(2) | The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1). | Minor | Unlikely | Low | Moderate | Priority 5 |
| Obligations removed from the May 2011 Reporting Manual, but included in the June 2010 Reporting Manual ¹ (applicable for the period 1 July 2010 to 30 April 2011) | | | | | | | |
| 103 | Generation Licence condition 12.2 | A licensee must amend the asset management system before an expansion or reduction in generating works, distribution systems and transmission systems and notify the Authority in the manner prescribed, if the expansion or reduction is not provided for in | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 104 | Generation Licence condition 12.3 | A licensee must not expand the generating works, distribution systems or transmission systems outside the licence area. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 326 | Electricity Industry Metering Code clause 3.5(6) | 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. | Not applicable to SWCJV's operations as the Joint Venture is not the network operator according to the Electricity Industry Metering Code 2005. | | | | |
| Obligations removed from the 2013 Reporting Manual, but included in the May 2011 and June 2010 Reporting Manual ² (applicable for the period 1 May 2011 to 6 December 2012) | | | | | | | |
| 361 | Electricity Industry Metering Code clause 3.16(5) | A network operator or a user may require the other to negotiate and enter into a written service level agreement in respect of the matters in the metrology procedure dealt with under clause 3.16(4) of the Code. | Not applicable to SWCJV's operations as this clause refers to Western Power's production of a "notional wholesale meter" value through the conversion of non-interval meter consumption to a notional interval meter quantity. As Western Power's tariff meters are all interval meters, such conversion is not required. Accordingly, a related service level agreement is also not required. | | | | |
| 395 | Electricity Industry Metering Code clause 5.5(3) | A user must not impose any charge for the provision of the data under this Code unless it is permitted to do so under another enactment. | Moderate | Unlikely | Medium | Moderate | Priority 4 |
| 412 | Electricity Industry Metering Code clause 5.19(4) | A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the network operator's Network Operations Control Centre of the fact. | Not applicable to SWCJV's operations. As SWCJV does not directly supply energy to customers, it does not collect customer information. | | | | |

¹Numbering based on the June 2010 Reporting Manual

²Numbering based on the May 2011 Reporting Manual

Appendix 3 - New and superseded obligations

| Legislative Element | New obligations ² Relevant period: 7 Dec '12 – 30 Jun '13 | Superseded obligations ³ Relevant period: 1 Jul '10 – 30 Apr '11 | Superseded obligations ⁴ Relevant period: 1 May '11 – 6 Dec '12 |
|---|--|---|--|
| Electricity Industry Act | N/A | N/A | N/A |
| Electricity Licences – Licence Conditions and Obligations | N/A | 103: Condition 12.2 104: Condition 12.3 | N/A |
| Electricity Industry Metering Code | 342: Clause 3.3B | 326: Clause 3.5(6) | 361: Clause 3.16(5) 395: Clause 5.5(3) 412: Clause 5.19(4) |

² Obligation number is based on the current (February 2013) Electricity Compliance Reporting Manual

³ Obligation number is based on the June 2010 Electricity Compliance Reporting Manual

⁴ Obligation number is based on the May 2011 Electricity Compliance Reporting Manual

Appendix 4 - Previous audit recommendations

No recommendations and corresponding action plans were applicable to the 2010 performance audit.

Appendix B – References

Key SWCJV contacts

- Facility Manager – SWCJV
- Powerhouse Superintendent - BHPB Worsley Alumina.

Deloitte staff

| Name | Position | Hours |
|------------------|------------------------------------|--------------|
| • Richard Thomas | Partner | 3 |
| • Andrew Baldwin | Account Director | 15 |
| • Emlyn King | Analyst | 54 |
| • Darren Gerber | Partner (Quality Assurance Review) | 1 |

Key Documents and other information sources

- Audited special purpose accounts for 2010/11, 2011/12 and 2012/13
- OAG approval of special purpose accounts for 2010/11, 2011/12 and 2012/13
- Letter of submission of compliance reports to the Authority - 2010/11 and 2011/12
- SWCJV (Unit1) Asset Management Plan
- Evidence of payment of licence fees for 2010/11, 2011/12 and 2012/13
- SWCJV Licence application supporting documentation (including details of asset management system)
- Example of monthly metering data reconciliation process
- Records of correspondence with Western Power regarding the validity and completeness of metering data (October to December 2011)
- JV heads of agreement
- Verve Energy May 2011 Electricity Transfer Access Contract, with reference to SWCJV
- Site services agreement between SWCJV and WAPL
- Long term service agreement between SWCJV and GECS
- Cogen Start-up Work Instruction (WAPL document)
- Records of plant outages and availability
- Records of SWCJV correspondence with the Authority and the Authority's Secretariat
- Representations from the Facility Manager.