



Premier Power Sales Pty Ltd

ABN 33 065 618 019

FINAL REPORT 2013 Performance Audit Premier Power Sales Pty Ltd Retail Licence ERL5

Audit Report	Authorisation	Name	Position	Date
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Agreed By (licensee)				

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1. Premier Power Sales Pty Ltd Performance Audit September 2013

Glossary of Terms

Contestable Customer – customer consuming more than 50 megawatt hours of electricity a year

CMD – Contact Maximum Demand

CTR – Customer Transfer Request

DSM – Demand Side Management

ENUC – Excess Network Usage Charge

ERA – Economic Regulation Authority

ERL5 – Electricity Retail Licence 5

ETAC – Electricity Transfer Access Contract

ESA – Electricity Supply Agreement

GES - Geographe Environmental Services Pty Ltd

IMO – Independent Market Operator

MRET – Mandatory Renewable Energy Target

NAA – Network Access Agreement

NMI – National Metering Identifier

OFI – Opportunity for Improvement

PAIP - Post Audit Action Plan

PPS – Premier Power Sales Pty Ltd

Small Use Customer – customers with consumption of 160MWh or less per annum

WESCEF - Wesfarmers Chemical Energy & Fertilisers

WEM – Wholesale Electricity Market

WP – Western Power

WPN – Western Power Networks

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

1. EXECUTIVE SUMMARY

Premier Power Sales Pty Ltd (PPS) has a retail licence issued by the Economic Regulation Authority (the Authority) in June 2006 to supply electricity to customers within the South West Interconnected System in Western Australia.

PPS is a wholly-owned subsidiary of Wesfarmers Chemicals, Energy and Fertilisers, a Division of Wesfarmers Ltd. As PPS is a reseller of electricity supplies, does not generate any electricity and therefore does not have any electricity generation plant and equipment, the Asset Management section of the Audit Guidelines is not applicable.

PPS started supplying its first electricity customer in February 2007. PPS targets large industrial and commercial customers. PPS does not supply electricity to small use customers. Throughout the audit period PPS has not marketed or supplied to customers with consumption less than 160MWh per annum. In addition to retailing electricity, PPS offers customer service benefits such as Demand Side Management (DSM) for large-use customers, bringing the benefit of capacity curtailment payments. A Mandatory Renewable Energy Target (MRET) management service is also available, providing tailored and timely customer service for the provision of renewable energy certificates.

All of PPS's customers are connected to the South West Interconnected System (SWIS).

All sales and marketing activities, business support services including accounts and IT services are managed from the Murdoch office of PPS.

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

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

The Authority approved the appointment of Geographe Environmental Services Pty Ltd on the 16th May 2013 (ERA Reference D106223), and subsequently required the development of an audit plan for ERA approval. An audit plan was prepared for the Retail Licence and notification of approval of the audit plan was provided on the 26 August 2013.

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

The period for the audit is, 1 July 2010 to 30 June 2013 and the submission of this report as determined with the Authority is evidence of compliance.

AUDIT CONCLUSION

The Performance Audit has been conducted in order to assess the effectiveness of PPS level of compliance with the conditions of its Retail Licence ERL5. Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that PPS has complied with its Retail Licence as it applies to its operations and activities during the audit period. The control environment operated by the licensee is well established and is regulated by government organisations, shareholders and corporate requirements which effectively filter through to the organisations operations. During the audit period 1 July 2010 to 30th June 2013, the Licensee has complied with its Retail Licence, with the exception of Licence Condition 16.1 which is in relation to the submission of Annual Compliance Reports. Opportunities for improvement to ensure ongoing compliance have been identified within Appendix 1. This audit report is an accurate representation of the audit teams findings and opinions.

1.1 Performance Audit Summary

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

A comprehensive report of the audit findings as applicable to the Electricity Compliance Reporting Manual (May 2011 and June 2013) is included in Appendix 1.

Table 1: Compliance Summary Table

Reference	Retail Licence Criteria	Likelihood	Consequences	Inherent Risk	Adequacy of existing controls	Audit Priority	Type	Compliance Rating						
								NA	N/R	1	2	3	4	5
SECTION 8: TYPE 1 REPORTING REQUIREMENTS														
230 [221]	Code of Conduct clause 7.6	CRITERIA NOT ASSESSED AS PPS DO NOT SUPPLY ELECTRICITY TO SMALL USE CUSTOMERS				NA	1	✓						
231 [222]	Code of Conduct clause 7.7(1)					NA	1	✓						
250	Code of Conduct clause 9.5(1)					NA	1	✓						
[237]	Code of Conduct clause 9.6(1)					NA	1	✓						
251	Code of Conduct clause 9.5(2)					NA	1	✓						
[238]	Code of Conduct clause 9.6(2)					NA	1	✓						
SECTION 9: ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 3 - CUSTOMER/ CONNECTION INFORMATION/DATA														
6	3.2(2)	Probable	Moderate	Medium	Strong	4	2							✓
7	3.4(1)	Probable	Moderate	Medium	Strong	4	2							✓
8	3.5(3)	Probable	Minor	Low	Moderate	5	2						✓	
9	3.6(2)	Probable	Minor	Low	Moderate	5	2		✓					
16	3.9(1)	Probable	Moderate	Medium	Moderate	4	2						✓	
17	3.9(2)	Probable	Moderate	Medium	Moderate	4	2		✓					
18	3.9(3)	Probable	Moderate	Medium	Moderate	4	2						✓	
19	3.9(4)	Probable	Moderate	Medium	Strong	4	2						✓	

23	4.2(2)	Probable	Moderate	Medium	Strong	4	2							✓
24	4.3	Probable	Moderate	Medium	Strong	4	2							✓
25	4.4(1)	Probable	Moderate	Medium	Strong	4	2							✓
26	4.4(2)	Unlikely	Moderate	Medium	Strong	4	2							✓
27	4.5(1)	Unlikely	Moderate	Medium	Strong	4	2							✓
28	4.6(3)	Unlikely	Minor	Low	Strong	5	2							✓
29	4.7	Unlikely	Minor	Low	Strong	5	2							✓
30	4.8(2)	Unlikely	Minor	Low	Strong	5	2		✓					
34	4.9(6)	Probable	Moderate	Medium	Moderate	4	2							✓
39	4.11(3)	Probable	Minor	Low	Moderate	5	2		✓					
40	4.12(3)	Probable	Moderate	Medium	Moderate	4	NR						✓	
43	4.15	Probable	Moderate	Medium	Moderate	4	NR		✓					
44	4.16	Probable	Moderate	Medium	Moderate	4	2						✓	
45	4.17	Probable	Moderate	Medium	Moderate	4	2							✓
48	5.1(4)	Probable	Moderate	Medium	Moderate	4	2							✓
49	6.2	Probable	Moderate	Medium	Strong	4	2							✓
52	6.4(1)	Probable	Moderate	Medium	Weak	3	2		✓					
53	6.4(2)	Probable	Moderate	Medium	Weak	3	2						✓	
54	6.6	Probable	Moderate	Medium	Moderate	4	2							✓
55	7.1(1)	Probable	Moderate	Medium	Weak	3	NR		✓					
56	7.1(2)	Probable	Moderate	Medium	Weak	3	NR		✓					
57	7.1(3)	Probable	Minor	Low	Weak	5	2		✓					
58	7.2(4)	Probable	Minor	Low	Weak	5	NR		✓					
59	7.3(2)	Probable	Minor	Low	Weak	5	NR		✓					
68	Annex 6 clause A6.2(a)	Probable	Moderate	Medium	Moderate	4	NR							✓
69	Annex 6 clause A6.2(b)	Probable	Moderate	Medium	Moderate	4	2					✓		
70	Annex 6 clause A6.6	Probable	Moderate	Medium	Strong	4	NR							✓
71	Annex 6 clause A6.7	Probable	Moderate	Medium	Strong	4	NR							✓
SECTION 11: ELECTRICITY INDUSTRY (CUSTOMER CONTRACTS) REGULATIONS – LICENCE CONDITIONS AND OBLIGATIONS														
78 – 98 100	Licence Condition 5.1	CRITERIA NOT ASSESSED AS PPS DO NOT SUPPLY ELECTRICITY TO SMALL USE CUSTOMERS				NA	2	✓						
SECTION 12: ELECTRICITY INDUSTRY ACT - LICENCE CONDITIONS AND OBLIGATIONS														

101	Licence Condition 14.1	Probable	Moderate	Medium	Weak	3	NR							✓	
105	Licence Condition 4.1	Unlikely	Minor	Low	Weak	3	2							✓	
106	Licence Condition 5.1	Probable	Moderate	Medium	Strong	4	NR		✓						
107	Licence Condition 5.1	Unlikely	Minor	Low	Strong	5	2	✓							
108-111	Licence Condition (Refer Appendix 1)					NA	2	✓							
113	Licence Condition 5.1	Probable	Moderate	Medium	Moderate	4	2								✓
SECTION 13: ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS															
114-118	Licence Condition (Refer Appendix 1)					NA	**	✓							
119	Licence Condition 12.1	Unlikely	Moderate	Medium	Strong	4	2								✓
120	Licence Condition 13.4					NA	2	✓							
121	Licence Condition 14.2	Probable	Moderate	Medium	Strong	4	2								✓
123	Licence Condition 15.1	Probable	Moderate	Medium	Weak	3	2		✓						
124	Licence Condition 16.1	Probable	Moderate	Medium	Weak	3	2				✓				
125	Licence Condition 17.1 & 17.2	Unlikely	Moderate	Medium	Moderate	4	2		✓						
126	Licence Condition 18.1	Unlikely	Moderate	Medium	Moderate	4	2		✓						
SECTION 14: CODE OF CONDUCT FOR SUPPLY OF ELECTRICITY TO SMALL USE CUSTOMERS - LICENCE CONDITIONS AND OBLIGATIONS															
127-329	Licence condition 23.1 & Code of conduct (refer Appendix 1)	CRITERIA NOT ASSESSED AS PPS DO NOT SUPPLY ELECTRICITY TO SMALL USE CUSTOMERS				NA	**	✓							
SECTION 15: ELECTRICITY INDUSTRY METERING CODE - LICENCE CONDITIONS AND OBLIGATIONS															
345	3.3B	Probable	Moderate	Medium	Moderate	4	2		✓						
360 [349]	3.11(3)	Probable	Moderate	Medium	Weak	4	2								✓
[361]	3.16(5)	Probable	Moderate	Medium	Moderate	4	2	✓							
375 [363]	3.18(1)					NA	2	✓							
385 [372]	3.27	Unlikely	Moderate	Medium	Moderate	4	2		✓						
392 [379]	4.4(1)	Probable	Moderate	Medium	Strong	4	NR								✓
393 [380]	4.5(1)	Probable	Moderate	Medium	Weak	3	NR								✓
394 [381]	4.5(2)	Probable	Moderate	Medium	Moderate	4	2								✓

409 [393]	5.4(2)	Unlikely	Minor	Low	Strong	5	NR		✓					
[395]	5.5(3)	Probable	Moderate	Medium	Moderate	4	2							✓
422 [406]	5.16					NA	2	✓						
423 [407]	5.17(1)	Probable	Minor	Low	Moderate	5	2							✓
426 [408]	5.18	Unlikely	Minor	Low	Strong	5	2		✓					
427	5.19(1)	Probable	Moderate	Medium	Moderate	4	NR							✓
[409]	5.19(1)	Probable	Moderate	Medium	Moderate	4	NR							✓
428 [410]	5.19(2)	Probable	Moderate	Medium	Strong	4	NR							✓
429	5.19(3)	Probable	Moderate	Medium	Moderate	4	2						✓	
[411]	5.19(3)	Probable	Moderate	Medium	Moderate	4	2						✓	
[412]	5.19(4)	Probable	Moderate	Medium	Moderate	4	2							✓
431 [414]	5.19(6)	Probable	Moderate	Medium	Moderate	4	NR		✓					
437 [420]	5.21(5)	Probable	Moderate	Medium	Moderate	4	2							✓
438 [421]	5.21(6)	Probable	Moderate	Medium	Moderate	4	2							✓
446 [439]	5.27	Probable	Moderate	Medium	Moderate	4	2		✓					
469 [446]	6.1(2)	Probable	Moderate	Medium	Moderate	4	2							✓
472 [448]	7.2(1)	Probable	Moderate	Medium	Moderate	4	NR							✓
474 [450]	7.2(4)	Probable	Moderate	Medium	Moderate	4	2		✓					
475 [451]	7.2(5)	Probable	Moderate	Medium	Moderate	4	2							✓
476 [452]	7.5	Probable	Moderate	Medium	Moderate	4	2							✓
477 [453]	7.6(1)	Probable	Moderate	Medium	Moderate	4	2		✓					
478 [454]	8.1(1)	Probable	Moderate	Medium	Moderate	4	NR		✓					
479 [455]	8.1(2)	Probable	Moderate	Medium	Moderate	4	NR		✓					
480 [456]	8.1(3)	Probable	Moderate	Medium	Moderate	4	NR		✓					

481 [457]	8.1(4)	Probable	Minor	Low	Moderate	5	2		✓					
482 [458]	8.3(2)	Probable	Minor	Low	Moderate	5	NR		✓					
SECTION 17: ELECTRICITY LICENCES - LICENSEE SPECIFIC CONDITIONS AND OBLIGATIONS - NOT APPLICABLE TO PPS														
NA	**	CRITERIA NOT ASSESSED AS PPS IS NOT AN ELECTRICITY CORPORATION				N/A	**							

Notes

References in square brackets i.e. [XX] refer to the Electricity Compliance Reporting Manual May 2011

References without brackets refer to Electricity Compliance Reporting Manual June 2013 or May 2011 if applicable

** Refer Appendix 1

NR - Not Reportable

N/R - Not Rated

Key

	The lighter grey shaded area denotes item not assessed as not applicable refer Appendix 1 for detail
	The dark grey shaded area refers to any criteria which are no longer included in the revised June 2013 Manual but are still applicable for part of the audit period
	The blue shading denotes a new requirement in the 2012 Code

Table 2: Operational/Performance Audit Rating Scale

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

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

Table 3: Licence Obligations & Audit Priority Relationship

		Audit Priority				
Assessment	Total	1	2	3	4	5
Compliant 5	42			1	28	7
Compliant 4	11			3	7	1
Compliant 3	1				1	
Non-compliant 2	1			1		
Significantly Non-compliant 1	0					
Not Applicable	3				1	1
Not Rated *	27			3	16	8

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

Sections of the Appendix which are all NA have been counted as 1.

2. PERFORMANCE AUDIT

2.1 Performance Audit Scope

This is the third audit of PPS' compliance with obligations relating to Retail Licence ERL5. As such, the scope of the audit is to:

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

for the period 1 July 2010 to 30 June 2013. The audit was conducted was 12 August 2013 in the Murdoch offices of PPS.

As there were no performance standards defined within the Retail Licence the Authority's Electricity Compliance Reporting Manuals (May 2011 and June 2013) were used as the performance criteria for the compliance elements.

The following personnel were interviewed during the Performance Audit;

- Senior Energy Analyst
- Energy Analyst
- Regulatory Manager Kleenheat Gas
- Accountant
- WP Account Manager

2.2 Performance Audit Objective

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

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

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

Table 4: Performance Audit Methodology and Allocated Hours

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

2.3 Performance Audit Methodology

A risk assessment, assessment of control environment and allocation of audit priority was undertaken in accordance with the Audit Guidelines – Electricity, Gas and Water Licences (August 2010) on each element relating to Retail licensee's of the Electricity Compliance Reporting Manual (May 2011 and June 2013) issued by the Authority. It was the opinion of the audit team that this approach would provide an effective assessment of compliance due to each licence condition being incorporated into the document.

The Electricity Compliance Reporting Manual (May 2011 and June 2013) as published on the ERA website specifically classifies each licence condition according to a non-compliance rating. As a holder of a Retail Licence, PPS results in mainly Minor and Moderate Ratings for non-compliance. The Type 1 obligations are not applicable to PPS as they do not have any small use customers.

In accordance with the Audit Guidelines (August 2010, section 9.4.3), PPS' compliance criteria have been assessed for audit priority by the Auditors and agreed by the Authority. These criteria are summarised in Table 1 and, include Section 8 Type 1, Section 11 Customer Contract Regulations, Section 14 Code of Conduct and Section 17 obligations which are exempt from this Audit Scope. The items that remain within the audit scope are further detailed in Appendix 1.

During the reporting period for the Performance Audit, 1 July 2010 to 30 June 2013, there have been significant changes to both the Electricity Metering Code and the Code of Conduct for Supply of Electricity to Small Use Customers. As such a revision of the Electricity Compliance Reporting Manual May 2011 has been released in June 2013 to provide guidance for the compliance elements of the Retail Licence to be examined by the Performance Audit.

The current Code, the Code of Conduct for the Supply of Electricity to Small Use Customers 2012, was gazetted on 9 November 2012 and came into effect on 1 January 2013 and the Electricity Metering Code 2012 came into effect on 7 December 2012, the day it was gazetted. It is noted the Code of Conduct for Supply of Electricity to Small Use Customers is not applicable to the audit scope, as PPS does not have any small use customers. However, the Electricity Metering Code will be assessed against the 2005 version from 1 July 2010 to 6 December 2012 and against the changes made from 7 December 2012 to 30 June 2013.

In order to accurately assess the changes to legislative requirements and assess the elements that are applicable for the relevant part of the audit period both versions have been reviewed and are clearly identified in Appendix 1.

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

2.4 Key Documents & Systems Reviewed

- Premier Power Sales Pty Ltd Retail Licence, ERL5
- PPS Compliance Report to the Authority for the period 1 July 2012 to 30 June 2013
- PPS Compliance Report to the Authority for the period 1 July 2011 to 30 June 2012
- PPS Power Compliance Report to the Authority for the period 1 July 2010 to 30 June 2011
- ERA letter to PPS: Compliance Report – 1 July 2011 to 30 June 2012
- ERA letter to PPS: Compliance Report – 1 July 2010 to 30 June 2011
- ETAC between WPN and PPS Power, approved 3rd August 2013
- Network Access Arrangement 24 January 2007
- PPS Electricity Supply Agreement
- PPS Operational and Compliance Manual
- PPS Administration Procedure Manual V2
- ERA Invoices
- Western Power Metering Code Model Service Level Agreement (approved by the ERA on the 30 March 2006)
- Customer Electricity Supply Agreements
- Customer Files
- Western Power Portal
- Wesfarmers Annual Reports
- Customer List
- Customer Verifiable Consent

2.5 Performance Audit Summary of Recommendations & Post Implementation Plan

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

Table 5 : 2013 Performance Audit Post Audit Implementation Plan

Ref	Licence Condition	Issue	Recommendation	Post-Audit Action Plan
124	Retail 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.	There have been two instances during the audit period where the Compliance Reports were submitted after the due date. This was largely due to personnel changes, however, processes are required to trigger compliance and ensure future reports are submitted as required.	Corrective Action 1: Inclusion of the submission of Annual Compliance Reports by the 31 st August in the Compliance Manual (Refer OFI 4) and an additional trigger such as inclusion relevant personnel job description/calendar could also be considered.	<p>Action: dedicated resources have been appointed to review compliance and regulatory requirements and a compliance manual for all regulatory and compliance matters is being developed.</p> <p>Responsibility: Jodie McDonnell and Melanie Gordon</p> <p>Date: June 2014</p>

A detailed reference of opportunities for improvement is included in Appendix 1. It is noted that whilst these criteria are in compliance for the duration of the audit period there are a number of actions that the organisation could consider to ensure ongoing compliance.

3. Response To Previous Audit Recommendations

No. *	Description of Licence Condition	Previous Audit Findings	Previous Compliance Rating	Recommended Corrective Action	Post Audit Action Plan (PAIP)	Action Taken	PAIP Status
69	Compliance with Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b) -A network operator and retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.	Confirmed with PPS staff that a response message to the Western Power Networks is sent via WP's online portal but this must be triggered by a retail employee. There is a button to click to send an acknowledgement by PPS staff. PPS advised the Authority of this noncompliance in the PPS Compliance Report for the period 1st July 2008 to 30th June 2009. In this report PPS advised the Authority that PPS does not consider the cost of implementing an IT solution to be reasonable in the context of its small number of customers. There is no benefit to customers in automating these electronic messages. PPS also advised that no action has been taken by PPS to rectify the breach and that PPS will continue to monitor	2	PPS should continue to monitor opportunities to fully comply with the licence obligation.	PPS will continue to monitor opportunities to fully comply with the license obligation, however currently sees no benefit to customers in automating a response to electronic messages from Western Power Networks. PPS will continue to manually reply to electronic messages received via the portal.	No action taken	Ongoing monitoring to ensure compliance

No. *	Description of Licence Condition	Previous Audit Findings	Previous Compliance Rating	Recommended Corrective Action	Post Audit Action Plan (PAIP)	Action Taken	PAIP Status
		opportunities for compliance.					
426	Compliance with Electricity Industry Metering Code 2005 clause 5.27 - Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	Relevant notification requirements and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual as well as in the Reporting and Provision of Information to the Network Operator policy and the procedure included in the PPS Operational and Procedural	2	PPS to ensure that all requests to provide the network operator with customer attribute information are actioned within 2 business days.	PPS agrees with the recommendation and will retain evidence of any future changes of details, including evidence of the date of notification.	Included as part of Compliance Manual	Ongoing
25	Compliance with Electricity Industry Customer Transfer Code clause 4.4(1) - A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	The current Network Access Agreement between PPS and WP does not explicitly specify the network as the SWIS. However, the new Electricity Transfer Access Contract between PPS and WP, still in draft version, defines network as "those parts of the SWIS that are owned, operated or owned and operated by WP in respect of which access is given under this contract". Also, the draft contract has not been updated in respect of dispute resolution statements that do not conform	3	Finalise the Electricity Transfer Access Contract incorporating: SWIS as the specified network; and The dispute resolution requirements of Customer Transfer Code.	Finalise ETAC	ETAC signed 17 July 2013	Completed – Outside the audit scope.
55	Compliance with Electricity Industry Customer Transfer Code clause 7.1(1) - For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code,						

No. *	Description of Licence Condition	Previous Audit Findings	Previous Compliance Rating	Recommended Corrective Action	Post Audit Action Plan (PAIP)	Action Taken	PAIP Status
	any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations in good faith.	with the requirements of the Customer Transfer Code (ie. meet within 5 business days of a request, escalate disputes if not resolved in 10 business days and have a written and signed record of the resolution).					
56	Compliance with Electricity Industry Customer Transfer Code clause 7.1(2) - If the negotiations in 7.1(1) do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer to each disputing party who must attempt to resolve the dispute by negotiations in good faith.						
57	Compliance with Electricity Industry Customer Transfer Code clause 7.1(3) - If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.						
53	Compliance with Electricity Industry Customer Transfer Code clause 6.4(2) - A retailer must notify any change in its contact details to a network operator at	PPS notified WP of a change in address of their office and a telephone and fax numbers 10 days before the change took effect. A copy of the notification was provided to Audit. However,	4	PPS to retain evidence of any notification of a change in PPS contact details to Western Power Networks, including the date the notification was made.	PPS agrees with the recommendation and will retain evidence of any future changes of details, including evidence of the date of notification.	PPS to retain future evidence of notification. To be included as part of Compliance Manual	Ongoing

No. *	Description of Licence Condition	Previous Audit Findings	Previous Compliance Rating	Recommended Corrective Action	Post Audit Action Plan (PAIP)	Action Taken	PAIP Status
438	<p>least three business days before the change takes effect.</p> <p>Compliance with Electricity Industry Metering Code 2005 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 at least 3 business days before the change takes effect.</p>	<p>no evidence was retained by PPS of the notification of change in contact details to WP and when the notification was provided.</p> <p>Relevant notification response times are included in the PPS Compliance Schedule of Events and the PPS Notification Response Times schedule that form part of the PPS Administration Procedure Manual. A register is not considered necessary but evidence of compliance should be retained.</p>					

* (Obligation number per Compliance Reporting Manual 2010)

APPENDIX 1

PREMIER POWER SALES PTY LTD PERFORMANCE AUDIT SEPTEMBER 2013

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
SECTION 8: TYPE 1 REPORTING REQUIREMENTS – Electricity Industry Act 2004 s82						
TYPE 1 REPORTING OBLIGATIONS FOR ALL LICENCE TYPES [Ref 230, [221],231,[222], 250, [237] & 251 [238]]				NA	PPS does not have any small use customers	Not Applicable [NA]
SECTION 9: ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - PART 3 - CUSTOMER/ CONNECTION INFORMATION/DATA						
6 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.2(2)	A retailer must submit a separate data request for each exit point unless otherwise agreed	4	Compliance is inherent in the Web Portal system design. The system only allows separate data requests. ▪ Web Portal system	Compliant [5]
7 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.4(1)	Unless otherwise agreed with a <i>network operator</i> , a <i>retailer</i> — (a) must submit a <i>data request</i> to the <i>network operator electronically</i> ; and (b) must not submit to a <i>network operator</i> in a	4	System control as web portal only allows 20 requests for standing data and 20 requests for historical consumption data. An exception message will come back if greater than 20 requests are made. The Web Portal acts as the only access for data	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
			<i>business day— (i) more than 20 requests for standing data; and (ii) more than 20 requests for historical consumption data.</i>		<ul style="list-style-type: none"> Web Portal system 	
8 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.5(3) -	A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.	5	<p>During the audit period the organisation has complied with requirements in relation to a request for historical consumption data.</p> <ul style="list-style-type: none"> Western Power Portal Customer Database Customer Verifiable Consent reviewed during the audit period <p>-> OPPORTUNITY FOR IMPROVEMENT 1 – Whilst the organisation demonstrates understanding of requirements the systems established are not accurately reflecting current practice. A review of procedural documentation generally shows it to be out of date (e.g. PPS Administration Procedure V2 last updated March 2012). The maintenance of such procedural systems are cumbersome for the organisation and consideration could be given to streamlining the process by creating an effective intranet or internal workflow that is relevant to the business activities or updating existing documentation to reflect current work practices.</p>	Compliant [4]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
9 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.6(2)	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a withdrawn request for historical consumption data.	5	There have been no occurrences of costs incurred during the audit period. As such assessment of compliance with this requirement cannot be made ▪ Management of payment is by Web Portal system. ▪ Western Power Portal ▪ Discussion with Western Power Account Manager	Not Rated [NR]
16 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.9(1)	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.	4	Quotations reviewed during the audit period included data only from the relevant Contestable Customer. All CTR were initiated with relevant customer data. ▪ Discussion with Energy Analyst ▪ Customer Contracts ▪ Quotations and Customer Data Requests → OPPORTUNITY FOR IMPROVEMENT 2: The organisation could consider formalising the process of obtaining data and CTR i.e. procedural/guideline development or imbedding documentation used for quotations into their existing procedures. This could be aligned with	Compliant [4]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					the revision to Compliance Schedule.	
17 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.9(2)	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	4	Discussions with Senior Sales Analyst confirmed that there had been no requests to not aggregate a contestable customer's historical consumption data. As such this requirement has not been rated.	Not Rated [NR]
18 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.9(3)	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined	4	Compliance with this requirement is confirmed and documentation has been established within the organisation to ensure compliance with this clause. It is noted that the requirement for verifiable consent is documented in Premier Power Sales Administration Procedures V2. ▪ Discussions with Senior Energy Analyst ▪ Customer Verifiable Consent sighted ▪ Customer Files ▪ Electricity Supply Agreement – Confidentiality Section addresses this requirement ▪ Broker contracts	Compliant [4]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					→ OPPORTUNITY FOR IMPROVEMENT 3: Consideration could be given to including the process of obtaining verifiable consents in a Checklist to store documents against the customers	
19 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.9(4)	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	4	Customer verifiable consents provided 2 years from the commencement of the audit period were sampled. It is noted that the retention times for verifiable consent are not defined specifically in the Operational Compliance Manual, however general reference to the keeping of records for not less than 10 years is included in the Records Management and Document Control section of the Operational and Compliance Manual. ▪ Discussions with Energy Analyst ▪ Customer Files ▪ Verifiable consent evidence sighted → REFER OPPORTUNITY FOR IMPROVEMENT 3	Compliant [4]
23 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.2(2)	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.	4	Web portal only allows for singular submissions, compliance is inherent in system design. There have been not instances during the audit period where a bulk transfer has been requested.	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<ul style="list-style-type: none"> ▪ Web Portal i.e. system controls ▪ Discussion with Energy Analyst 	
24 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.3	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.	4	<p>Sample of transfers sighted on Web Portal. No erroneous transfers were observed during the audit period under "Transfer Type".</p> <p>System Control as description of transfer is mandatory field i.e. drop down list</p> <ul style="list-style-type: none"> ▪ Web Portal i.e. system controls ▪ Discussion with Energy Analyst ▪ Discussions with Western Power Account Manager 	Compliant [5]
25 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.4(1)	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	4	<p>All transfers are effected on Web Portal. No erroneous transfers were observed during the audit period under "Transfer Type".</p> <p>The NAA date must be specified in the Web portal.</p> <p>The CTR details are part of the CTR section of the Web Portal. If the access contract date is not specified then WPN will not authorise and will contact PPS.</p> <p>The previous audit identified the NAA not</p>	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<p>specifically referring to the Network as the SWIS. The draft ETAC not yet executed at the time of the audit addresses this issue. It is noted that the document has since been signed however the dates for signing fall outside the audit period.</p> <ul style="list-style-type: none"> ▪ Web Portal i.e. system controls ▪ Discussion with Energy Analyst 	
26 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.4(2)	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	4	<p>All transfers effected on Web Portal. No erroneous transfers were observed during the audit period under "Transfer Type". If NMI is entered that is not correct then an error message will be generated.</p> <ul style="list-style-type: none"> ▪ Web Portal i.e. system controls ▪ Customer Contracts/documentation 	Compliant [5]
27 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.5(1)	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date	4	<p>All transfers are effected on Web Portal. Generally, system control as the number of customer transfer requests is inherent in the system design. The web portal only allows 20 transfers per day. No request for bulk transfers were made during the audit period.</p> <ul style="list-style-type: none"> ▪ Web Portal i.e. system controls ▪ Discussion with Energy Analyst 	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
28 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.6(3)	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	5	There were no instances where a customer transfer request was withdrawn due to expiry of verifiable consent. There was one occasion where the transfer was submitted and withdrawn the next day as no longer required ▪ Discussion with Senior Energy Analyst ▪ Sight verifiable consent for all Customers	Compliant [5]
29 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.7	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.	5	Compliance is inherent in system design, date of transfer must be nominated to successfully submit transfer. Note: Transfers only occur Monday to Friday delay may occur if nominated over weekend. It is noted that there were no erroneous transfers during the audit period. ▪ Web Portal i.e. system controls - mandatory fields	Compliant [5]
30 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.8(2)	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	5	There were no CTR's that were withdrawn during the audit period. This event did not occur during the audit period. ▪ Web Portal Discussions with Senior Energy Analyst	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
34 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	4	<p>Web portal is used for communicating revised transfer dates. Liaison established with WP Account Manager. There were no objections relating to a CTR during the audit period. The portal is designed to ensure compliance with the parameters of the Customer Transfer Code and does not accept retailer submissions for CTR that are inconsistent with these rules.</p> <ul style="list-style-type: none"> ▪ WP Account Manager communications ▪ Web Portal ▪ Discussion with Energy Analyst 	Compliant [5]
39 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	5	<p>There is regular dialogue between PPS and WP Account Manager to ensure resolution if contestable customer's meter is not read on the nominated transfer date. All communications reviewed during the audit complied with Customer Transfer Code requirements particularly the network operator and the incoming retailer working together to set a new nominated transfer date. There were no requirements during the audit period to take certain action.</p> <ul style="list-style-type: none"> ▪ WP Account Manager communications ▪ Discussion with Energy Analyst 	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<ul style="list-style-type: none"> ▪ Dispute resolution processes ▪ WPN responsible for meter reading ▪ Web Portal 	
40 [Type NR]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	4	<p>For the duration of the audit period (i.e 1 July 2010 to 30 June 2013) the ETAC was not yet signed and the NAA was the access contract established. However, a signed copy of the ETAC dated 12 August 2013 was sighted.</p> <p>The organisation has negotiated an ETAC dated 3rd August 2013.</p> <ul style="list-style-type: none"> ▪ Discussion with Senior Energy Analyst ▪ WP Account Manager communications ▪ ETAC ▪ Legal Counsel ▪ Dispute resolution processes <p>→ OPPORTUNITY FOR IMPROVEMENT 4: Ensure the ETAC is updated and the requirements aligned with systems established.</p>	Compliant [4]
43	Electricity Industry (Licence Conditions)	Electricity Industry Customer Transfer	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected	4	There have been no erroneous transfers during the audit period. As such assessment of	Not Rated

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
[Type NR]	Regulations r 5(2)	Code clause 4.15	retailers (and the independent market operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.		compliance with this requirement cannot be made ▪ WP Account Manager ▪ Energy Analyst ▪ Web Portal	[NR]
44 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.16	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	4	Verifiable consent was sighted for all customers sampled during the audit. There has been no disposal of any verifiable consent documentation during the audit period. It is noted that there were no erroneous transfers during the audit period. ▪ WA Customer Contracts ▪ WA Customer List ▪ Web Portal ▪ Discussion with Energy Analyst → REFER OPPORTUNITY FOR IMPROVEMENT 3 Consideration could be given to including a reference to the 2 year retention period in the relevant procedures document .	Compliant [4]
45 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.17	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	4	No charges were incurred after the transfer time and there were no erroneous transfers during the audit period.	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<p>Web Portal System Control. WP will not send data to PPS after the transfer date.</p> <ul style="list-style-type: none"> ▪ Customer Contracts ▪ Web Portal used to access Consumption Metering Data ▪ Discussion with Energy Analyst 	
48 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 5.1(4)	A network operator and a retailer must comply with approved communication rules.	4	<p>The NAA defines communication protocols during the audit period and the recently signed ETAC as well. All transfers and data transactions are done electronically via Western Power's portal. Communication with WP account manager is via email and standard formats. There have been no actions outside the communication rules.</p> <p>The majority of the control is through the Web Portal.</p> <ul style="list-style-type: none"> ▪ Communication protocols established between WP and PPS ▪ Web Portal ▪ WP Account Manager ▪ WP Billing and Metering Team ▪ NAA/ETAC 	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
49 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates	4	Compliance is inherent in system design, specification of the NMI is a mandatory field. ▪ Web Portal system control i.e. mandatory fields ▪ Communications with WP Account Manager ▪ Specification of NMI ▪ Discussions with Energy Analyst	Compliant [5]
52 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request	3	There has been no specific request for contact details, however all details were reviewed and noted to be correct in WP Portal and communication systems. ▪ Management Control Processes ▪ PPS Notification Response Times schedule ▪ Web Portal ▪ Discussion with Regulatory Manager Kleenheat Gas -> OPPORTUNITY FOR IMPROVEMENT 5: It is noted that the compliance schedule is to be revised. Consideration to all requirements arising	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					from the Retail Licence should be considered to ensure triggers for compliance are imbedded into the business operation.	
53 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 6.4(2)	A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.	3	In 2011 the Retailer changed office location. Letters sent to all suppliers and customers at time of office relocation. It is noted that this requirement to maintain evidence of notification was raised in the previous audit. ▪ Web Portal ▪ Discussions with Regulatory Manager Kleenheat Gas ▪ PPS Compliance Schedule of Events ▪ Notification Response Times schedule ▪ PPS Administration Procedure Manual. → Refer to Opportunity for Improvement 5	Compliant [4]
54 [Type 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 6.6	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.	4	The Web Portal design parameters ensure compliance with this requirement. Email and fax evidence also sighted to verify compliance with this requirement. ▪ Web Portal ▪ Management Control Processes ▪ NAA	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
55 [Type NR]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 7.1(1)	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations in good faith.	3	<p>There have been no disputes in respect to a matter under or in connection with this requirement during the audit period. As such assessment of compliance with respect to meeting within 5 business days cannot be made.</p> <p>However, it is noted that the recently signed ETAC requires the dispute to be resolved within 10 business days. This is outside the scope of the audit period.</p> <p>The requirement for dispute resolution statements in the draft ETAC to conform to the Customer Transfer Code was raised in the previous audit. Legislation will have precedence of this contract and as such mechanisms to ensure compliance could be considered. This could be considered in the revised Compliance Schedule.</p> <p>→ Opportunity for Improvement 6: It is noted that the requirement for dispute resolution statements in the draft ETAC to conform to the Customer Transfer Code was raised in the previous audit. Legislation will have precedence of this contract and as such mechanisms to ensure compliance could be considered. This could be considered in the revised Compliance Schedule.</p>	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
56 [Type NR]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 7.1(2)	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith	3	There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made. However, it is noted that the recently signed ETAC requires the dispute to be resolved within 20 business days. This is outside the scope of the audit period. → Refer to Opportunity for Improvement 6	Not Rated [NR]
57 [TYPE 2]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	5	There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made. ▪ Discussion with Senior Energy Analyst	Not Rated [NR]
58 [Type NR]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 7.2(4)	A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details	5	There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made. ▪ Discussion with Senior Energy Analyst	Not Rated [NR]
59 [Type NR]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer	A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry	5	There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
		Code clause 7.3(2)	Customer Transfer Code		assessment of compliance with the Dispute Resolution requirement cannot be made. ▪ Discussion with Senior Energy Analyst	
68 [Type NR]	<i>Electricity Industry (Licence Conditions) Regulations r 5(2)</i>	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)	A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.	4	Western Power manage the Web Portal and it is generally operational 24 hours a day. There have been some system down times throughout the audit period, however, issues arising are always readily resolved. ▪ PPS Information Systems ▪ Verification from PPS IT	Compliant [5]
69 [Type 2]	<i>Electricity Industry (Licence Conditions) Regulations r 5(2)</i>	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.	4	Correspondence between WP and PPS is maintained in the Web Portal. Historical messages can be seen through the “view messages” function. Correspondence is tagged as either pending, completed or rejected, i.e. market transaction list. Sighted during the audit. In addition, the web portal enables the issue of email alerts to confirm transactions. ▪ Web Portal ▪ Discussion with Energy Analyst → Opportunity for Improvement 7: PPS will continue to monitor opportunities to fully comply with the license obligation, however it is noted the organisation currently sees no benefit to customers in automating a response to electronic messages from Western Power	Compliant [3]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					Networks. PPS will continue to manually reply to electronic messages received via the portal.	
70 [Type NR]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.6	The originator of an electronic communication must identify itself in the communication.	4	The Web Portal provides required identification for all data transactions and transfers. Data receipts were sighted for confirmation. ▪ Web Portal ▪ Discussions with Energy Analyst	Compliant [5]
71 [Type NR]	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.7	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.	4	The Web Portal is used as a primary means of communication between WP and PPS. The system is designed so that data communicated is easily integrated into the PPS and WP systems. Examples of data transactions from the Web Portal were sighted during the audit. Compliance is often inherent in the design and parameters of the web portal. ▪ Web Portal data transfer protocols ▪ Communications between WP and PPS ▪ Discussions with Energy Analyst	Compliant [5]
Section 11: ELECTRICITY INDUSTRY (CUSTOMER CONTRACTS) REGULATIONS AND OBLIGATIONS						
Electricity Industry (Licence Conditions) Regulations - This Section is Not Applicable				Not Applicable as PPS do not have any small use customers		Not Applicable [NA]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
SECTION 12: ELECTRICITY INDUSTRY ACT - LICENCE CONDITIONS AND OBLIGATIONS						
101 [Type NR]	Retail Licence condition 14.1	Electricity Industry Act section 13(1)	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	3	The requirement for the audit is monitored by management. This audit process has commenced within the required timeframes. ▪ Notification from Authority as to audit due date (Reference of ERA Letter D104558) → Opportunity for Improvement 8: It is understood that the organisation is currently revising the compliance process. Inclusion of the Retail Licence requirements will be included.	Compliant [4]
105 [Type 2]	Retail Licence condition 4.1	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 i.e. 26 July each year	3	Licence fees were paid in accordance with requirements as follows; Premier Coal Account System -2010 & 2011 were archived and part of Premier Coal systems – Provided by Accountant - ERA Invoice ERA183 (Batch cover for payment 15/7/10) - ERA Invoice ERA241 (Batch cover for payment 30/6/11) 2012 & 2013 Invoices PPS Accounts Reference - ERA Invoice ERA1303 (Date of issue 14/6/12, Paid 26/6/12)	Compliant [4]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<p>- ERA100062 (Date of issue 19/6/13, Paid 4/7/13)</p> <ul style="list-style-type: none"> ▪ Compliance Scheduling by appropriate Senior Energy Analyst ▪ Invoice issued by the Authority ▪ Record of Payment in Premier Coal accounts system & PPS accounts system <p>→ Opportunity for Improvement 9: The organisation is aware that reliance on invoices issued by ERA is not a proactive measure of compliance and as an invoice is required for payment, and to ensure compliance, inclusion in the budgets for payment and reminders in this process could be considered.</p>	
106 [Type NR]	Retail Licence condition 5.1	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.	4	<p>The supply of electricity is managed by WPN and is essentially outside the control PPS. Electricity Supply Managed by WPN</p> <ul style="list-style-type: none"> ▪ Customers have access to Energy Analyst ▪ NAA 	Not Rated [NR]
107 [Type 2]	Retail Licence condition 5.1	Electricity Industry Act section 41 (6)	A licensee must pay the costs of taking an interest in land or an easement over land.	5	Not Applicable as PPS has no interest in land.	Not Applicable [NA]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
108 [Type 2]	Retail Licence condition 24.1	Electricity Industry Act section 54(1)	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract	NA	Not Applicable as PPS does not supply electricity to Small Use Customers.	Not Applicable [NA]
109 [Type 2]	Retail Licence condition 25.4	Electricity Industry Act section 54(2)	A licensee must comply with any direction by the Authority to amend the standard form contract and do so within the period specified.	NA	Not Applicable as PPS does not supply electricity to Small Use Customers.	Not Applicable [NA]
110 [Type 2]	Retail Licence condition 27.1	Electricity Industry Act section 76	If a designation under section 71(1) of the Electricity Industry Act is in force a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.	NA	Not Applicable as Synergy is the Retailer of Last Resort	Not Applicable [NA]
111 [Type 2]	Retail Licence condition 21.1	Electricity Industry Act section 101	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme	NA	Not Applicable as PPS does not supply electricity to Small Use Customers.	Not Applicable [NA]
113 [Type 2]	Retail Licence condition 5.1	Electricity Industry Act section 115(2)	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access	4	PPS has an NAA and establishes Electricity Supply Agreements (ESAs) with Customers. Requirements within these agreements provide adequate controls preventing the potential to engage in conduct for the purpose of hindering or prohibiting access	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					Management ensures compliance with all Retail Licence conditions. ▪ NAA ▪ ESA ▪ Discussions with Energy Analyst	
SECTION 13: ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS						
114 [Type 2]	Retail Licence condition 23.1	Electricity Industry Act section 11	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	NA	Not applicable no marketing agents engaged and no small use customers established	Not Applicable [NA]
115 [Type 2]	Retail Licence condition 23.2	Electricity Industry Act section 11	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.	NA	Not applicable no marketing agents engaged and no small use customers established	Not Applicable [NA]
116 [Type NR]	Retail Licence condition 24.2	Electricity Industry Act section 11	A licensee must, if directed by the Authority, review the standard form contract and submit to the Authority the results of that review within the time specified by the Authority.	NA	PPS is not required to have a standard form contract as it does not supply electricity to small use customers.	Not Applicable [NA]
117 [Type	Retail Licence condition 24.3	Electricity Industry Act section 11	A licensee must comply with any direction given by the Authority in relation to the scope, process and	NA	PPS is not required to have a standard form contract as it does not supply electricity to small use customers. Hence, there was no requirement	Not Applicable [NA]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
NR]			methodology of the standard form contract review.		for the Authority to provide direction in this matter.	
118 [Type 2]	Retail Licence condition 25.1	Electricity Industry Act section 11	A licensee may only amend the standard form contract with the Authority's approval.	NA	PPS is not required to have a standard form contract as it does not supply electricity to small use customers.	Not Applicable [NA]
119 [Type 2]	Retail Licence condition 12.1	Electricity Industry Act section 11	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	4	<p>PPS Accounting Records are reported as part of Wesfarmers limited. The Wesfarmers Annual Reports sampled during the audit period contain an Annual Financial Statement prepared by the organisations Auditors. The Statement of Compliance which noted that the financial report was prepared in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the <i>Corporations Regulations 2001</i> and other mandatory professional reporting requirements.</p> <ul style="list-style-type: none"> ▪ Discussion with Senior Energy Analyst ▪ www.wesfarmers.com.au ▪ Accounting process review ▪ Wesfarmers Annual Reports (Independent Auditors Ernst & Young) – for the year ended 30th June 2012 ▪ WESCEF Annual Reports (Independent Auditors Ernst & Young) – for the year ended 30th June 2011 	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<ul style="list-style-type: none"> WESCEF Annual Reports (Independent Auditors Ernst & Young) – for the year ended 30th June 2010 <p>NOTE: At the time of the audit the Wesfarmers Year End 30th June 2013 Annual Report was not available for review.</p>	
120 [Type 2]	Retail Licence condition 13.4	Electricity Industry Act section 11	A licensee must comply with any individual performance standards prescribed by the Authority.	NA	<p>The Authority has not prescribed any individual reporting standards to PPS. As such assessment of compliance with clause cannot be undertaken.</p> <ul style="list-style-type: none"> ERL5 	Not Applicable [NA]
121 [Type 2]	Retail Licence condition 14.2	Electricity Industry Act section 11	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	4	<p>Direct instructions from Licensee to Auditor to comply with the ERA guidelines.</p> <p>Copies of communications received from ERA relating to audit requirements sent by PPS through to Auditor to convey requirements specifically the undertaking of audits in compliance with the Audit Guidelines: Electricity, Gas and Water Licences.</p> <ul style="list-style-type: none"> Compliance with ERA process Management meeting minutes Email Communication 	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					▪ ERA Correspondence	
123 [Type 2]	Retail Licence condition 15.1	Electricity Industry Act section 11	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.	3	During the Audit Period PPS was not under external administration and had not undergone any significant change in circumstances upon which the licence was granted, which may affect its ability to meet its licence obligations. As such there was no assessment with this requirement to report to the Authority was made. ▪ Review of ERA Website	Not Rated [NR]
124 [Type 2]	Retail Licence condition 16.1	Electricity Industry Act section 11	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.	3	Every licensee is required to submit a compliance report to the Authority covering all of its type 1 and type 2 licence obligations for each financial year (1 July to 30 June inclusive) by 31 August immediately following the year that is the subject of the report. During the audit period the Licensee has provided the Authority information it required in connection with its functions under the Electricity Industry Act. However, the 2011 and 2012 Reports were submitted after 31 August of the relevant year. ▪ Discussions with Senior Energy Analyst ▪ Annual Compliance Reports – Sighted Compliance Report 1 July 2012 to 30 June 2013 – Dated 8 August 2013 (Note Outside scope of Audit)	Non Compliant [2]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<ul style="list-style-type: none"> ▪ Annual Compliance Reports – Sighted Compliance Report 1 July 2011 to 30 June 2012 and ERA response Ref D95590) – Submitted Date 6th September 2012 ▪ Annual Compliance Reports – Sighted Compliance Report 1 July 2010 to 30 June 2011, and ERA response Ref D74761) - Submitted Date 3 October 2011 ▪ Reporting protocols uses standard format from ERA ▪ ERA Correspondence Records ▪ Timetable of Electricity Regulatory Reporting Requirements <p>It is noted that the 2013 Compliance Report was due outside the audit period however discussions with Senior Energy Analyst indicated awareness to obligations.</p> <p>-> Corrective Action 1: Inclusion of this requirement in the Compliance Schedule that is being revised should be considered. Triggers to ensure compliance imbedded into business process could be considered</p>	
125 [Type 2]	Retail Licence condition 17.1 & 17.2	Electricity Industry Act section 11	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified	4	The Authority has not directed any information to be published during the audit period.	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
126 [Type 2]	Retail Licence condition 18.1	Electricity Industry Act section 11	Unless otherwise specified, all notices must be in writing.	4	The requirement that notices be in writing is specified in the NAA between WP and PPS. PPS confirmed that all communication is in writing through Western Power online portal and all other communication is via emails	Not Rated [NR]
SECTION 14: CODE OF CONDUCT - LICENCE CONDITIONS AND OBLIGATIONS						
<p>This section is not applicable to PPS due to the following:</p> <p>PPS Management confirm no customer is a "Customer" as defined in the Code of Conduct for the Supply of Electricity to Small Use Customers and PPS has never marketed or supplied to such Customers in the WEM.</p> <p>Refer to Electricity Compliance Reporting Manual May 2011 and June 2013 for Reference numbers.</p>						Not Applicable [NA]
SECTION 15: ELECTRICITY INDUSTRY METERING CODE - LICENCE CONDITIONS AND OBLIGATIONS						
345	Retail Licence condition 5.1	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.	4	<p>PPS does not have any customers with bi-directional flows at any metering points.</p> <ul style="list-style-type: none"> ▪ PPS Notification Response Times Schedule ▪ PPS Administration Procedure Manual ▪ Customer Tariffs ▪ Reporting and Provision of Information to the 	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					Network Operator Policy and Procedure	
360 [349] [Type 2]	Retail Licence condition 5.1	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.	4	<p>During the audit period there have been instances where customers requested investigation into ENUC. These instances have been communicated with WPN</p> <ul style="list-style-type: none"> ▪ PPS Notification Response Times Schedule ▪ PPS Administration Procedure Manual ▪ Reporting and Provision of Information to the Network Operator Policy and Procedure ▪ Management Meetings ▪ WP Faults Hotline ▪ Web Portal (i.e. reporting of faults) ▪ Customer Invoices ▪ Compliance Procedures 	Compliant [5]
361 [Type 2]	Retail Licence condition 5.1	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.	4	<p>Tariff Metering requirements are covered in Metering Code Model Service Level Agreement. The Network Operator manages metering requirements for PPS.</p> <p>This requirement relates to the conversion of</p>	Not Applicable [NA]

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					<p>non interval metering to interval metering. There is no need for conversion as the potential customers would be billed on aggregated data in accordance with the contract. As such assessment of compliance with clause cannot be undertaken.</p> <ul style="list-style-type: none"> ▪ Discussion with Energy Analyst ▪ WP's Metering Code Model Service Level Agreement sighted. 	
375 [363] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 3.18(1)	If the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract, and in circumstances where immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract, then the metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements.	NA	Relates to Synergy as the Electricity Retail Corporation only.	Not Applicable [NA]
385 [372] [Type 2]	Retail Licence condition 5.1	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.	4	<p>PPS are aware of this requirement and do not engage in the installation of Meters. It is noted that this requirement is responsibility of the Network Operator.</p> <ul style="list-style-type: none"> ▪ Discussion with Energy Analyst ▪ WPN is responsible for metering installations 	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<ul style="list-style-type: none"> WP's Metering Code Model Service Level Agreement 	
392 [379] [Type NR]	Retail Licence 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.	4	<p>The organisation has established processes to ensure liaison with WP in regards to data discrepancy. During the audit period evidence of communication was provided.</p> <ul style="list-style-type: none"> ESA – ENUC/ CMD Discussion with Energy Analyst 	Compliant [5]
393 [380] [Type NR]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	3	<p>This is primarily the responsibility of WPN. However, PPS may identify errors through internal review systems and follow established communication pathways with WPN as soon as practicable.</p> <ul style="list-style-type: none"> Customer Contracts – ENUC/ CMD Discussion with Energy Analyst WP Accounts Manager Web Portal Customer Invoices 	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
394 [381] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 4.5(2)	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.	4	Regular discussions are held with WP Account Manager. Any discrepancies are followed up in a timely manner. Review of Web Portal confirmed the function to submit queries to WP and monitor their progress (timelines of actioning). ▪ Web Portal ▪ Discussion with Energy Analyst	Compliant [5]
409 [393] [Type NR]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.4(2)	A user must, when reasonably requested by a network operator, use reasonable endeavours to assist the network operator to comply with the network operator's obligation under clause 5.4(1).	5	WPN is responsible for the reading of the meters and they are primarily read remotely. PPS work with WP in identifying data discrepancies and meter faults. As such this requirement has not been rated. ▪ Requests from Network Operator ▪ Remote Reading of Meters	Not Rated [NR]
[395] [Type 2]	Retail Licence condition 5.1	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.	4	Western Power read all meters. No charges are imposed for provision of data. Discussion with the Energy Analyst confirmed that there are no charges for the provision of data. ▪ User Data ▪ Customer Bills	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					▪ Discussion with Energy Analyst	
422 [406] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.16	A user that collects or receives energy data from a metering installation must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	4	Not Applicable to audit scope as Western Power read all meters. PPS does not collect energy data.	Not Applicable [NA]
423 [407] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.17(1)	A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	4	The Network Operator is responsible for tariff metering. However standing data and validated data are presented on the customer bills. This is addressed in ESA. ▪ Customer Invoices ▪ ESA ▪ Web Portal	Compliant [5]
426 [408] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.18	A user that collects or receives information regarding a change in the energisation status of a metering point must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.	4	PPS does not collect or receive information regarding a change in the energisation status of a metering point. Western Power manages the status of metering points. As such this requirement has not been rated.	Not Rated [NR]
427 [Type NR]	Retail Licence condition 5.1	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	4	PPS uses the Web Portal as an effective means for communication in addition to emails, etc. There were no outstanding requests were noted via the Web Portal communications. ▪ Discussion with Energy Analyst	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
			obligations described in the Code and elsewhere, and provide that information to the network operator.		▪ Web Portal	
[409] [Type NR]	Retail Licence condition 5.1	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.	5	PPS uses the Web Portal as an effective means for communication in addition to emails, etc. There were no outstanding requests were noted via the Web Portal communications. ▪ Discussion with Energy Analyst ▪ Web Portal	Compliant [5]
428 [410] [Type NR]	Retail Licence condition 5.1	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 address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.	5	A review of Web Portal noted that all site and customer attributes are captured via predetermined fields and drop down menus. In addition the ESA collates this information. ▪ ESA ▪ Web Portal	Compliant [5]
429 [Type 2]	Retail Licence condition 5.1	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.	4	Upon receiving such information from the customer the information is logged into Web Portal into the Customer & Site details information section. Material changes required to be reviewed. In addition, the Energy Analyst liaises with the customer and maintains customer files and communications. Currently there is no specific way to determine	Compliant [5]

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					<p>whether the one business day rule can be adhered to as there is a record of communication from the customer of change in attributes is via email but the date amended in the Portal is not available. Verbal confirmation from the Energy Analyst that the Web Portal is updated with required information.</p> <ul style="list-style-type: none"> ▪ Discussion with Senior Energy Analyst ▪ Management Compliance Processes ▪ Web Portal - Customer and Site Details ▪ Customer Communications 	
[411] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(3)	A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.	4	<ul style="list-style-type: none"> ▪ As above 	Compliant [4]
[412] [Type 2]	Retail Licence condition 5.1	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.	4	<p>PPS has one customer with a sensitive load. Completed documentation was sighted during the audit in this regard.</p> <ul style="list-style-type: none"> ▪ WP Document – Application to Become A Commercial/Industrial Sensitive Customer – Completed 18/3/11 	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					▪ Discussion with Energy Analyst	
431 [414] [Type NR]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(6)	A user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.	5	The Web Portal facilitates the notification of the change in attributes. PPS confirmed that there were no changes in attributes as a result of the provision of standing data by WP during the audit period. ▪ Web Portal	Not Rated [NR]
437 [420] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.21(5)	A Code participant must not request a test or audit unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	4	Tests undertaken during the audit period were in accordance with the requirements of the <i>Metering Code</i> . Email communication and Access Contracts were sighted during the audit process. It is noted that a record of all communication and outcomes are maintained within Customer Files. ▪ Interview with Energy Analyst ▪ Access Contracts ▪ Customer Files ▪ Legislative Awareness ▪ Model Service Level Agreement ▪ WP Account Manager	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
438 [421] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.21(6)	A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.	4	Confirmed that during the audit period, PPS did not make any requests for audit or tests that were inconsistent with any access arrangement or agreement. ▪ Interview with Senior Energy Analyst	Compliant [5]
446 [439] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.27	Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	4	All compliance is performed via the Web Portal. Any requests received from WP would be actioned via Web Portal in a timely manner. Review of the Web Portal correspondence did not identify any requests for customer attribute information from WP. ▪ Discussion with the Energy Analyst ▪ Management compliance process ▪ Web Portal (Customer & Site Notification Entry)	Not Rated [NR]
469 [446] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	4	The Web Portal is used for interactions with WPN and compliance is largely inherent in the design of the system. A review of the controls during the audit process confirmed compliance with prescribed criteria. ▪ Web Portal	Compliant [5]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<ul style="list-style-type: none"> ▪ Discussion with the Energy Analyst ▪ WP Account Manager relations 	
472 [448] [Type NR]	Retail Licence condition 5.1	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.	4	<p>WP has been notified of all communication details. Evidence of dialogue between the parties has been noted. The NAA contact details are superseded however a review of correspondence and discussion with organisational personal indicated up to date details have been provided.</p> <ul style="list-style-type: none"> ▪ Discussion with Senior Energy Analyst ▪ Web Portal ▪ Customer Files ▪ WP Account Manager ▪ Email records 	Compliant [5]
474 [450] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.2(4)	A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.	4	<p>During the Audit Period the Premier Power Sales Pty Ltd relocated its office. WP has been notified of all communication details.</p> <ul style="list-style-type: none"> ▪ Discussion with the Senior Energy Analyst – During the audit we were not able to determine whether notification occurred of 	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
					<p>change from Premier Coal to PPS</p> <ul style="list-style-type: none"> Letters sent notifying address change Management compliance process It is noted that the NAA has always been in the name of Premier Power Sales Pty Ltd <p>During the audit period the network operator did not make a request of the code participant and as such assessment of this clause is not rated.</p>	
475 [451] [Type 2]	Retail Licence condition 5.1	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 at least 3 business days before the change takes effect.	4	<p>As above</p> <ul style="list-style-type: none"> Discussion with the Senior Energy Analyst 	Compliant [5]
476 [452] [Type 2]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.5	A Code participant must not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	4	<p>Customer confidential information is treated in an appropriate manner. There have been no instances of non compliance identified in relation to this requirement.</p> <ul style="list-style-type: none"> Discussion with the Senior Energy Analyst 	Compliant [5]
477 [453]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is	4	During the audit period no request to disclose confidential information was received by the code participant.	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
[Type 2]			required to be disclosed by the Code.		<ul style="list-style-type: none"> ▪ Discussion with the Senior Energy Analyst 	
478 [454] [Type NR]	Retail Licence condition 5.1	Electricity Industry Metering Code clause 8.1(1)	Representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute under or in connection with the Electricity Industry Metering Code by negotiations in good faith.	5	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ Discussion with the Senior Energy Analyst ▪ Web Portal ▪ NAA ▪ ESA 	Not Rated [NR]
479 [455] [Type NR]	Retail Licence condition 5.1	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.	5	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ Discussion with the Senior Energy Analyst ▪ Web Portal ▪ NAA ▪ ESA 	Not Rated [NR]

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR SYSTEMS/AUDIT EVIDENCE → OPPORTUNITY FOR IMPROVEMENT	COMPLIANCE RATING**
480 [456] [Type NR]	Retail Licence 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.	5	There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made. ▪ Discussion with the Senior Energy Analyst ▪ Web Portal ▪ NAA ▪ ESA	Not Rated [NR]
481 [457] [Type 2]	Retail Licence condition 5.1	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.	4	There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made. ▪ Discussion with the Senior Energy Analyst ▪ Web Portal	Not Rated [NR]
482 [458] [Type NR]	Retail Licence condition 5.1	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 of dispute resolution with as little formality and technicality and with as much expedition as the requirements of Part 8 of the Code and a proper hearing and determination of the dispute, permit.	5	There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made. ▪ Discussion with the Senior Energy Analyst ▪ Web Portal	Not Rated [NR]
SECTION 16: Electricity Industry (Network Quality and Reliability of Supply) Code – Licence Conditions and Obligations						
THIS SECTION IS NOT APPLICABLE TO PREMIER POWER SALES PTY LTD AS THERE HAVE BEEN NO SPECIFIC CONDITIONS AND OBLIGATIONS ATTACHED TO THE RETAIL LICENCE						

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