

2014 Performance Audit

Post-Audit Implementation Plan

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
01/2014 39 (39)	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.	B2	<p>Sample-based testing did not identify any instances where Western Power did not work with incoming retailers to negotiate a new nominated transfer date. However, enquiries with the Finance, Treasury and Risk Team and review of Western Power's 2014 Breach Register revealed that Western Power had not negotiated a new transfer date with the incoming retailer, specifically, for those instances where Type 5 meters were not read on the nominated transfer date.</p> <p>Based on our enquiries and review of relevant documentation we determine that Western Power was not compliant with this licence obligation.</p>	The time frame allowed for the completion of service orders for the manual reading of Type 5 meters did not provide for a timeframe that facilitated meters to be read on the nominated transfer date.	Implement a solution that facilitates the timely completion of service orders for manually read Type 5 meters on the nominated transfer date.	Western Power acknowledges the auditors' observations.	Implement a new process (an appointment-based service) to manually read Type 5 meters to ensure that Type 5 meters are read on the nominated transfer date.	Finance, Treasury & Risk (Revenue)	<p>31 December 2014, if the service is able to be provided by the current service provider.</p> <p>30 June 2015, if required to source another service provider</p>
02/2014 41 (41)	Electricity Industry Customer Transfer Code clause 4.13	A network operator must within two business days after the transfer date give an electronic notice of the transfer and the transfer date to the incoming retailer, the previous retailer and, if applicable, the independent market operator.	B3	<p>Sample-based testing of 35 customer transfer requests revealed three instances where Western Power did not give an electronic notice of the transfer and the transfer date to the incoming retailer and previous retailer within the prescribed timeframe.</p> <p>Based on sample-based testing, we have concluded that Western Power was not compliant with this licence obligation.</p>	<p>Western Power did not negotiate a new transfer date in accordance with clause 4.11(3), therefore the original timeframe for providing notice of the transfer to the incoming retailer was not amended. Transfers were not completed on the nominated date due to:</p> <ul style="list-style-type: none"> The communications unit within some Type 1-4 meters being faulty and investigations performed extended the time period in which a request was closed Type 5 meters failing to read as a result of a manual interrogation 	Where Western Power is unable to perform a transfer on the nominated transfer date, negotiate with the incoming retailer to determine a new nominated transfer date in accordance with 4.11(3) of the Transfer Code.	Western Power acknowledges the auditors' observations.	Review and, if possible, improve Western Power's current process to ensure that when it is not able to read a meter on the nominated transfer date, Western Power and the incoming retailer work together to agree a new transfer date.	Finance, Treasury & Risk (Revenue)	<p>31 October 2014</p> <p>Status: Completed</p>

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
03/2014 77 (77)	Electricity Industry (Obligation to Connect) Regulations regulation 8	A distributor that is obliged to energise premises must do so within a defined timetable.	B3	<p>Whilst our sample-based testing did not identify any exceptions with respect to the energising of premises, a review of the new connections compliance report and discussions with the Customer Connections Team revealed that there were instances where Western Power did not energise premises within the timeframe specified under regulation 8.2 of the Code.</p> <p>There were approximately 584 out of 53,527 energisation service orders for the 2012-2014 audit period that were not completed within the timeframes prescribed.</p> <p>Based on our enquiries and review of relevant documentation we determine that Western Power was not compliant with this licence obligation.</p>	<ol style="list-style-type: none"> 1. Technical issues identified with the new connection that caused delays in the completion of the service order. 2. Resourcing constraints due to prioritisation of emergency and fault work. 	Where technical and capacity issues are identified, negotiate with the customer a revised date and mutually agree to that date in accordance with regulation 8.2.	Western Power acknowledges the auditors' observations. Western Power is continually working towards reaching a higher compliance level. However, due to the nature of the causes outlined, 100% compliance may not always be achievable.	Continue to monitor performance and when issues are identified, and where possible, negotiate a mutually agreed revised date with the customer.	Customer Service (Connection Services)	Continuous monitoring Status: Ongoing

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
04/2014 237 (240)	Code of Conduct clause 8.2	A distributor must reconnect the customer's supply address upon the request of a retailer within the timeframes specified in subclause 8.2(2).	B3	<p>Whilst sample-based testing did not reveal any exceptions, our review of Western Power's 2013 Annual Compliance Report and the 2014 Breach Register identified that Western Power had reported instances where reconnections were not performed within the timeframes prescribed.</p> <p>Based on the review of relevant documentation we conclude that Western Power was not compliant with this licence obligation.</p>	<ol style="list-style-type: none"> 1. Site access restrictions. 2. Resource constraints restricted the ability for Western Power to undertake the reconnection related activity within the prescribed timeframes. 3. Safety concerns. 	Implement a solution that would enable Western Power to comply with the timeframes specified in sub clause 8.2(2) of the Code of Conduct.	<p>Western Power is continually working towards reaching a higher level of compliance with this obligation. However, due to the nature of the causes outlined, 100% compliance may not always be achievable.</p> <p>Western Power has consistently improved its performance with this obligation over the last two years. In 2012/13 there were 227 reconnections out of a total 13,908 that were not performed within the prescribed time frame (1.63%). Whereas in 2013/14, there were 225 reconnections out of a total 15,544 that were not performed within the prescribed time frame (1.45%).</p>	Review current resource capacity and, if appropriate, develop an improved resource plan.	Field Operations (Metering Services)	31 December 2014

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
05/2014 294 (295)	Code of Conduct clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	B3	<p>Discussions with the Complaints & Resolution Team revealed that Western Power has developed an internal process for handling complaints and resolving disputes.</p> <p>However, review of Western Power's 2014 Breach Register revealed that on 30 June 2014, a Customer Service Centre staff member failed to record a complaint in Western Power's customer management system in circumstances where the customer expressed dissatisfaction in relation to a complaint that had previously been closed by Western Power.</p> <p>Based on our enquiries and review of the 2014 Breach Register, we determine that Western Power was non-compliant with this licence obligation.</p>	A Customer Service Centre staff member did not adhere to Western Power's complaints handling procedure.	Reinforce to Customer Service Centre staff the importance of recording complaints in accordance with the complaints handling procedure.	Western Power acknowledges the auditors' observations.	<p>Western Power has already completed the following actions:</p> <ol style="list-style-type: none"> 1. Counselling the Western Power employee who failed to record the complaint regarding the incident and the consequences of his inadvertence. 2. Conducted refresher training for all staff in the Complaints & Resolutions area regarding the limitations on customer disconnections under the Code of Conduct and Western Power's policies and procedures to ensure compliance with the Code of Conduct. 3. Modified Western Power's customer management system to extend the time period for maintaining a complaint in Western Power's system from one month to two months. This allows for additional time to ensure the complaint is fully resolved. 	Customer Service (Customer Experience)	31 July 2014 Status: Completed

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
06/2014 296 (297)	Code of Conduct clause 12.1(3)	A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).	B3	<p>Whilst our sample-based testing did not reveal any exceptions, our enquiries with the Complaints and Resolution Team revealed that Western Power did not record customer dissatisfaction calls that were resolved at first contact as a complaint, prior to the implementation of the management action from the 2012 Performance Audit in January 2013.</p> <p>Further, discussion with the Customer Service Centre Team also revealed that during the audit period Western Power had identified instances where its call centre operators were not correctly distinguishing an enquiry from a complaint in accordance with the Complaints Handling Process.</p> <p>As a result, the respective customers were not notified of their rights to have their complaint escalated in accordance with the Code of Conduct.</p> <p>Based on our enquiries we determine that Western Power was not compliant with this licence obligation.</p>	Improper classification of customer complaints by Customer Service Centre staff.	<ol style="list-style-type: none"> 1. Provide a more focussed training program that would enable Western Power's Customer Service Centre staff to differentiate a complaint from an enquiry. Further, strengthen the monitoring process around first contacts to ensure that a correct classification of that contact is made. 2. Reinforce the requirement to Customer Service Centre staff of Western Power's obligations to advise customers who articulate dissatisfaction of their right of escalation under subclause 12.1(3)(a). 	<p>Western Power endeavours to achieve best practice customer service in its call centre by addressing all contacts at the first instance (known as first call resolution) wherever possible.</p> <p>Over the last few years, management have implemented on-going programs of improvement aimed at reducing the root causes of complaints as a means of decreasing complaints and increasing customer satisfaction.</p>	<ol style="list-style-type: none"> 1. Transfer the accountability for reviewing first call resolution contacts that have been logged as a possible complaint from a senior service representative to the Complaints Team Leader to ensure correct classification is made. 2. Implement a revised process for advising customers of their right to escalate an issue, should it be classified as a complaint, that was resolved during the first call. 3. Review and modify the Complaints Handling Process, by formalising complaint reporting and classification, to better enable compliance with Code of Conduct obligations. 4. Implement a training module for the Complaints Handling Process addressing the customer's right to escalate to a complaint those issued resolved at first call. 	Customer Service (Customer Service Centre)	<ol style="list-style-type: none"> 1. 31 August 2014 Status: Completed 2. 31 October 2014 Status: Completed 3. 31 October 2014 Status: Completed 4. 31 October 2014 Status: Completed

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
07/2014 302	Code of Conduct clause 13.1(3)	For the purposes of subclause 13.1(1), a distributor must keep the information specified in subclause 13.1(3).	A2	Discussions with various Western Power personnel, as well as a review of records of information specified within sub clause 13.1(3), revealed that Western Power had a process and methodology in place to facilitate its compliance with this obligation. However, as a result of the non-compliances identified for licence obligations 294, 296, 315 and 316, we have concluded that Western Power did not retain accurate nor complete records as required under clause 13.1(3) of the Code of Conduct.	Licence obligation 315 – Western Power was not accurately recording complaints.	Refer to Licence Obligations 294 and 296.	Western Power acknowledges the auditors' observations.	Refer to Licence Obligations 294 and 296.	Customer Service (Customer Experience)	Refer to Licence Obligations 294 and 296
08/2014 315 (312)	Code of Conduct clause 13.10(1)	A distributor must keep a record of the complaints information specified in subclause 13.10(1).	B2	Enquiries with the Complaints and Resolution Team revealed that Western Power personnel did not record customer complaints that were resolved at first contact prior to the implementation of the management action from the 2012 Performance Audit in January 2013. Further, enquiries with the Customer Service Team revealed that, within the audit period, there were instances where customer dissatisfaction had been expressed, but a complaint had not been recorded. Based on our enquiries we determine that Western Power was not compliant with this licence obligation.	Improper classification of customer complaints by Customer Service Centre staff.	Refer to Licence Obligations 294 and 296.	Western Power acknowledges the auditors' observations.	Refer to Licence Obligations 294 and 296.	Customer Service (Customer Experience)	Refer to Licence Obligations 294 and 296

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
09/2014 316 (313)	Code of Conduct clause 13.10(2)	A distributor must keep a record of the details of each customer complaint referred to in subclause 13.10(1).	A2	<p>Discussions with the Complaints and Resolution Team revealed that Western Power has a process and methodology in place to facilitate the record keeping of information in accordance with 13.10(1) of the Code of Conduct.</p> <p>Sample-based testing did not reveal any instances where the details of a complaint had not been recorded in accordance with the Code of Conduct.</p> <p>However, as a result of observations in respect of licence obligations 294, 296 and 315, we have concluded that Western Power did not retain accurate and complete records as required under this clause.</p>	Licence obligation 315 – Western Power was not accurately recording complaints.	Refer to Licence Obligations 294 and 296.	Western Power acknowledges the auditors' observations.	Refer to Licence Obligations 294 and 296.	Customer Service (Customer Experience)	Refer to Licence Obligations 294 and 296
10/2014 323 (318)	Code of Conduct clause 13.16	A distributor must prepare a report in respect of each reporting year setting out the information in the records specified in subclause 13.16	A2	<p>Discussions with the Customer Services Team, as well as a review of the annual report prepared by Western Power, confirmed that Western Power has a process and methodology in place to facilitate compliance with this obligation.</p> <p>However, as a result of our observations in respect of licence obligations 294, 296, 302, 315 and 316, it was determined that elements of information provided in the report were inaccurate or incomplete.</p> <p>Based on our enquiries, review of relevant documentation and our observations we determine that Western Power was not compliant with this licence obligation.</p>	Licence Obligation 315 – Western Power was not accurately recording complaints.	Refer to Licence Obligations 294 and 296.	Western Power acknowledges the auditors' observations.	Refer to Licence Obligations 294 and 296.	Customer Service (Customer Experience)	Refer to Licence Obligations 294 and 296

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
11/2014 349 (338)	Electricity Industry Metering Code clause 3.5(4)	A network operator must ensure that, except for a Type 7 metering installation, the metering point for a revenue metering installation is located as close as practicable to the connection point in accordance with good electricity industry practice.	A2	<p>Review of Western Power's 2014 Breach Register revealed an instance where a metering point for a High Voltage (HV) revenue metering installation was not located as close as practicable to the connection point.</p> <p>Discussions with the Metering Services Team revealed that Western Power was in the process of coordinating the installation of a replacement HV unit, which is required to be specifically designed and manufactured for the site.</p> <p>Based on our enquiries and review of relevant documentation, we determine that Western Power was not compliant with this licence obligation.</p>	A temporary low voltage (LV) meter was installed to measure the load consumption on a customer's site as the HV revenue meter was damaged due to an electrical fault.	Complete the installation of the replacement HV unit and remove the temporary LV meter.	Western Power acknowledges the auditors' observations.	Installation of the replacement HV unit and removal of the temporary LV meter will be completed as soon as an appropriate meter is available.	Field Operations (Metering Services)	31 October 2014 Status: Completed
12/2014 359 (348)	Electricity Industry Metering Code clause 3.11(2)	If an outage or malfunction occurs to a metering installation, the network operator must make repairs to the metering installation in accordance with the applicable service level agreement (SLA).	B2	<p>Sample-based testing of 35 service orders noted the existence of requests for the repair of metering installations. Sixteen instances were detected where the repairs of the meters were not performed within the timeframe agreed within the SLA.</p> <p>Based on sample-based testing performed, we determine that Western Power was not compliant with this licence obligation.</p>	<ol style="list-style-type: none"> Limited availability of resources Geographical spread of customers Site access restrictions Safety concerns 	Implement a solution that would enable Western Power to comply with the applicable SLA.	<p>Western Power is continually working towards reaching a higher compliance level. However, due to the nature of the causes outlined, 100% compliance may not always be achievable.</p> <p>Western Power continues to monitor resource availability to ensure delivery of field technical services in accordance with the service standards defined in the Model SLA.</p>	<ol style="list-style-type: none"> Approach the retailer to seek assistance in securing access to the relevant sites. Review current resource capacity and, if appropriate, develop an improved resource plan. 	Field Operations (Metering Services)	<ol style="list-style-type: none"> 30 September 2014 31 December 2014 Status: Completed

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
13/2014 378 (366)	Electricity Industry Metering Code clause 3.21(1)	Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.	C2	<p>Discussions with the Finance, Treasury and Risk Team revealed that Western Power has mechanisms in place to monitor time drift over a period of 1 month. However, sample-based testing revealed 5 out of 35 instances within the audit period where meters with an internal time clock were unable to maintain time accuracy as prescribed.</p> <p>The maintenance of time drift is managed by MV90, which has allocated servers. MV90 utilises the system clock to measure and report on time drift over the month. The time accuracy for Type 1 – 5 meters are contingent on the MV90 and MVRS servers maintaining time within the timeframes prescribed.</p> <p>Review of the Time Drift Compliance Report identified approximately 60% of the relevant meters were not compliant, specifically in July and August 2013.</p> <p>In June 2014, Western Power completed an infrastructure upgrade that mitigated the risk of servers altering a time source on relocation or upgrade. Further, Western Power conducted a review of test plans to verify of accuracy of time details.</p> <p>Based on discussions held, sample-based testing performed and a review of relevant documentation, we determine that Western Power was not compliant with this licence obligation during the audit period.</p>	Following the relocation of Western Power's MV90 server to the Head Office, a time synchronisation issue caused the time accuracy of some meters to be affected. Western Power's testing following the relocation of the MV90 server was not sufficient to detect the non-compliance.	Continue to monitor time accuracy as prescribed and correct the time drift in meters where inaccuracies are identified.	Western Power acknowledges the auditors' observations.	Continue to monitor time accuracy as prescribed and, where possible, correct the time drift in meters where inaccuracies are identified.	Finance, Treasury & Risk (Revenue) and Information & Communication Technology	Monthly Status: Ongoing

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
14/2014 386 (373)	Electricity Industry Metering Code clause 3.29	A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list.	B2	Discussions with the Meter Installations Team and review of the list published by Western Power noted that it did not include the type of work the registered metering installation provider is authorised to carry out. Based on our discussions held and review of the published list on the Western Power website, we determined that Western Power was not compliant with this licence obligation.	Oversight by the preparer of the list.	That the published list be reviewed and amended to ensure its content addresses the Metering Code requirement to include the type of work the registered metering installation provider is authorised to carry out.	Western Power has reviewed and amended the published list to ensure its content addresses the Metering Code requirement to include the type of work the registered metering installation provider is authorised to carry out. These amendments were published on 11 July 2014.	No further action required.	Field Operations (Metering Services)	N/A

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
15/2014 389 (376)	Electricity Industry Metering Code clause 4.1(3)	A network operator must prepare, and if applicable, must implement a disaster recovery plan to ensure that it is able, within 2 business days after the day of any disaster, to rebuild the metering database and provide energy data to Code participants.	B2	<p>Discussions held with the Information and Communication Technology team as well as a review of Western Power's Disaster Recovery Plan (DRP) revealed that a plan is in place to address a potential failure of its primary metering database in the event of a disaster.</p> <p>Walkthrough of the DRP indicated that there is a backup server which will be activated as soon as a failure of the primary server is recognised. This server is updated simultaneously to ensure that the provision of data to Code participants is as accurate and up to date as possible.</p> <p>Further, there are queuing applications in place to record information whilst the main metering database is undergoing repairs in order to prevent data loss attributable to a failure.</p> <p>Review of the Disaster Recovery Validation Test Summary revealed that a test of the disaster recovery system conducted in March 2014 identified that MBS back up failed to activate. Therefore, in the event a disaster occurs, we are not satisfied that MBS could be re-built, and energy data provided to Code participants, within the timeframes prescribed by clause 4.1(3) of the Metering Code.</p> <p>Based on our enquiries and review of relevant documentation, we determine that Western Power was not compliant with this licence obligation.</p>	During an annual test, the MBS component of the disaster recovery system did not activate.	Undertake an upgrade to the MBS component of the disaster recovery system and conduct testing to ensure it is capable of meeting the requirements specified in the Metering Code.	<p>Western Power carries out regular disaster recovery tests to discover and resolve issues which may prevent adequate response in the event of a disaster.</p> <p>During the regular disaster recovery system test, the metering system did not pass all system tests. The metering database data was available, however, a change to a technical step is required to allow full system availability.</p> <p>There was no impact to customers or licensees.</p> <p>Disaster recovery test steps have been adjusted with the correct information. A re-test of the MBS system is scheduled to be completed prior to 31 August 2014.</p>	Complete the adjustment of the disaster recovery test steps with the correct information and test to confirm it is capable of meeting the requirements specified in the Metering Code.	Information & Communication Technology	31 August 2014 Status: Completed

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
16/2014 397 (384)	Electricity Industry Metering Code clause 4.7	If standing data for a metering point is updated in the registry, the network operator must, within 2 business days after the update (or such other time as is specified in the applicable service level agreement) notify the update to the current user and each previous user, if the updated standing data relates to a period or periods when the previous user was the current user.	B2	Discussions with the Finance, Treasury and Risk Team and review of the exception report for the 2013/14 period revealed 108 instances out of 997,367 within that period where Western Power did not give notice of changes to standing data as required under clause 4.7 of the Metering Code. Based on our enquiries and sample-based testing we determine that Western Power was not compliant with this licence obligation.	Manual data entry errors made within MBS caused delays in the provision of metering data within the prescribed timeframe.	Reinforce to relevant staff the importance of entering data correctly within MBS to mitigate the risk of future data entry errors.	Western Power acknowledges the auditors' observations.	Reinforce to relevant staff the importance of entering data correctly within MBS to mitigate the risk of future data entry errors.	Finance, Treasury & Risk (Revenue)	30 September 2014 Status: Completed
17/2014 406 (391)	Electricity Industry Metering Code clause 5.3	A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database by no later than 2 business days after the date for the scheduled meter reading for the metering point (or such other time as is specified in the applicable service level agreement).	C3	Discussions with the Finance, Treasury and Risk Team revealed that there were instances where energy data was not obtained and transferred within the 2 day time frame as required under the Metering Code. Sample-based testing of 35 meter read routes identified 7 instances where transfers of energy data were made outside the prescribed timeframe. Based on discussions held and sample-based testing performed, we determine that Western Power was not compliant with this licence obligation.	1. Delays in receiving energy data from field officers' hand-held units. 2. Meter reads not being carried out in accordance with the scheduled read plan.	Reinforce the scheduled meter read plan and requirement to undertake meter reads and send energy data in accordance with the Metering Code.	Western Power acknowledges the auditors' observations.	Reinforce the scheduled meter read plan and obligation to undertake meter reads and send energy data in accordance with the Metering Code to contractors and relevant internal resources.	Field Operations (Metering Services) and Information & Communication Technology	30 September 2014 Status: Completed

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
18/2014 407 (392)	Electricity Industry Metering Code clause 5.4(1)	A network operator must, for each meter on its network, at least once in every 12 month period undertake a meter reading that provides an actual value that passes the validation processes in Appendix 2.	B3	<p>Whilst our sample-based testing did not reveal any exceptions, discussions with the Field Operations Team revealed instances where Western Power was unable to undertake a meter reading that provided for an actual value that passed its validation process as defined in Appendix 2 of the Metering Code.</p> <p>During the 2013/14 financial year, approximately 9,977 customers out of 1,060,588 customers were affected of which 2,731 meters could not be read due to site access restrictions.</p> <p>Based on discussions held and sample-based testing performed, we determine that Western Power was not compliant with this licence obligation.</p>	<ol style="list-style-type: none"> Inability to access a number of meters on Western Power's network. Inability to complete the scheduled meter reads in accordance with the planned timeframes due to resourcing constraints. 	<ol style="list-style-type: none"> Where a meter cannot be read due to access restrictions, liaise with the retailer to assist Western Power in gaining access to the customer's meter. Implement a solution that would enable Western Power to comply with sub clause 5.4(1) of the Metering Code. 	<p>Western Power acknowledges the auditors' observations.</p> <p>Western Power is continually working towards reaching a higher level of compliance with its obligations. However, due to the nature of the causes outlined, 100% compliance may not always be achievable.</p>	<ol style="list-style-type: none"> Approach the retailer to seek assistance with the Annual Read Obligation (ARO) process. Review and continue to implement the ARO process which targets meters that have not been read. 	Field Operations (Metering Services)	<ol style="list-style-type: none"> 30 September 2014 Status: Completed 30 September 2014 Status: Completed
19/2014 412 (396)	Electricity Industry Metering Code clause 5.6(1)	Subject to subclause 5.6(2), a network operator must provide validated, and where necessary, substituted or estimated energy data for a metering point to the user for the metering point and the IMO within the timeframes prescribed in subclause 5.6(1)(2).	B2	<p>Discussions with the Finance, Treasury and Risk Team and review of a sample of daily validation reports revealed that Western Power did not provide validated, and where necessary, substituted or estimated energy data for a metering point to the user within the timeframes prescribed by the Metering Code.</p> <p>Walkthrough of the process to validate data revealed that where necessary MBS will provide substituted or estimated data for a metering point. However, where MBS is unable to substitute or estimate data for a metering point, an exception is flagged, which requires manual intervention before the data is provided to the user and the IMO. Further, enquiries revealed that this process was not always completed within the timeframes prescribed in subclause 5.6(1).</p>	Manual intervention review of the exception reports caused delays in the provision of metering data within the prescribed timeframe.	Reinforce the requirement to review manual exception reports within the timeframes prescribed by the Metering Code with relevant Finance, Treasury & Risk team members.	Western Power acknowledges the auditors' observations.	Reinforce the requirement to review manual exception reports within the timeframes prescribed by the Metering Code.	Finance, Treasury & Risk (Revenue)	30 September 2014 Status: Completed

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
20/2014 418 (402)	Electricity Industry Metering Code clause 5.12(1)	If a user gives a network operator an energy data request for a metering point in accordance with the communication rules, and the energy data request relates only to a time or times for which the user was the current user at the metering point, then the network operator must provide a user with a complete set of energy data for the metering point within the timeframes prescribed.	B3	<p>Sample-based testing of 35 meter data requests revealed six instances during the audit period where Western Power failed to provide users with energy data within the two days required by the Metering Code.</p> <p>Walkthrough of the process revealed that Western Power had relied on a manual process to respond to the request from a user.</p> <p>Discussion with the Finance, Treasury and Risk Team revealed that as at 30 June 2014, Western Power had commenced automating the process to prevent data from being delivered outside the time frames specified.</p> <p>As the implementation of the automated process was yet to be completed at the conclusion of the audit period, its effectiveness could not be determined.</p> <p>Based on our discussions held, a walkthrough of the process and sample-based testing performed, we determine that Western Power was not compliant with this licence obligation.</p>	Manual review of user requests caused delays in the provision of metering data within the prescribed timeframe.	Complete the implementation of the automated process of responding to users' requests.	<p>Western Power acknowledges the auditors' observations.</p> <p>For 2013/14, Western Power achieved 99.86% compliance with this obligation. Of the 25,797 total services, only 35 were non-compliant.</p>	Complete the automation of the process of providing metering data and responding to users' requests.	Finance, Treasury & Risk (Revenue) and Information & Communication Technology	31 August 2014 Status: Completed

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
21/2014 425	Electricity Industry Metering Code clause 5.17A(3)	A network operator must comply with a direction under subclause 5.17A(1) within the timeframes prescribed.	C3	<p>Sample-based testing revealed 3 out of 10 instances where Western Power did not comply with a direction provided by a person if (and to the extent that) a customer associated with a metering point gives a direction to do so, as required under subclause 5.17A(1) within the timeframes prescribed.</p> <p>Discussions with the Finance, Treasury and Risk Team noted that the Energy Data Authorisation Access System (EDAAS) is utilised to report and monitor responsiveness in relation to compliance requirements. Users of EDAAS count the direction date at the point of entry (time 0). The Metering Code requires that responsiveness be determined from the date of receipt of the direction.</p> <p>Based on discussions held and sample-based testing performed we determine that Western Power was not compliant with this licence obligation.</p>	EDAAS does not have the ability to record the direction date and, therefore, the ability to accurately count the responsiveness timeframe. A time gap between date of receipt of the direction and date of entry into EDAAS has demonstrated an incorrect responsiveness by Western Power. Time 0 should be the date of receipt of request as opposed to the date of entry into EDAAS.	<ol style="list-style-type: none"> Build into the EDAAS the ability to enter the date of receipt as the start date rather than the date the request is manually inputted into the system. Alternatively, develop a web-based solution to enable the provision of data to be automated. 	Western Power acknowledges the auditors observations.	<ol style="list-style-type: none"> Amend EDAAS to provide a field to identify the date the direction is received. Undertake a cost-benefit analysis of developing a web-based solution to automate the provision of data. 	Finance, Treasury & Risk (Revenue) and Information & Communication Technology	<ol style="list-style-type: none"> 31 December 2014 30 June 2015

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
22/2014 434 (417)	Electricity Industry Metering Code clause 5.20(4)	If a Code participant requests verification of energy data under subclause 5.20(3), the network operator must, in accordance with the metrology procedure, subject to subclause 5.20(5), use reasonable endeavours to verify energy data and inform the requesting Code participant of the result of the verification and provide the verified energy data within the timeframes prescribed.	B3	<p>Discussions with the Finance, Treasury and Risk Team and review of Western Power's 2014 Breach Register revealed that Western Power did not provide verified energy data within the timeframes prescribed for 135 meter reads out of 19,031 meter reads that were undertaken in the 2013/2014 period.</p> <p>Further, enquiries revealed that a meter data verification request is received from Code participants through the Metering Service Web Portal. The request is then manually checked and, if an investigation is required, a field officer will attend the site to perform a manual reading of the meter.</p> <p>Sample-based testing did not reveal any exceptions where meter data verification requests were responded to outside the prescribed timeframe.</p> <p>Based on our enquiries and review of documentation we determine that Western Power was not compliant with this licence obligation.</p>	<ol style="list-style-type: none"> Where meters were removed or relocated and an investigation was subsequently required, there were delays in the provision of verified energy data The remote location of meters in non-metropolitan areas Limited availability of resources 	<ol style="list-style-type: none"> Maintain a record of the location of meters once they have been removed. Implement a solution that would enable Western Power to be compliant with the timeframes prescribed in the Metering Code. 	<p>Western Power acknowledges the auditors' observations.</p> <p>The business achieved 99.29% compliance with this obligation.</p> <p>Clause 5.20(5) of the Metering Code states "The network operator is not required to perform a field visit to comply with its obligations under clause 5.20(4)." Currently, Western Power acts in "good electricity industry practice" to verify meter data at the site, which impacts compliance overall.</p>	<ol style="list-style-type: none"> Review and, if required, improve the process of managing the verify meter data requests for meters that have been removed from site. Review and, if required, improve the process of sending field resources to the metering point to undertake the verify meter data request. 	<p>Finance, Treasury & Risk (Revenue) and Field Operations (Metering Services)</p>	<ol style="list-style-type: none"> 30 September 2014 Status: Completed 30 September 2014 Status: Completed
23/2014 436 (419)	Electricity Industry Metering Code clause 5.21(4)	A test or audit under subclause 5.21(1) is to be conducted in accordance with the metrology procedure and the applicable service level agreement (SLA).	B3	<p>Sample-based testing revealed four instances during the audit period where Western Power failed to complete its testing requirement within the seven day time frame specified within the SLA.</p> <p>Review of the test request forms and the testing carried out indicated that testing procedures were performed in accordance with the metrology procedures.</p> <p>Based on sample-based testing performed and review of relevant documentation, we determine that Western Power was not compliant with this licence obligation.</p>	<ol style="list-style-type: none"> Western Power was unable to access the metering installations in question. Limited availability of resources 	Implement a solution that would enable Western Power to address its compliance requirements as detailed under the applicable SLA.	<p>Western Power acknowledges the auditors' observations.</p> <p>Western Power is continually working towards reaching a higher level of compliance with this obligation. However, due to the nature of the causes outlined, 100% compliance may not always be achievable.</p>	<ol style="list-style-type: none"> Approach the retailer to seek assistance with the testing and auditing process. Review current resource capacity and, if appropriate, develop an improved resource plan. 	Field Operations (Metering Services)	<ol style="list-style-type: none"> 30 September 2014 Status: Completed 31 December 2014

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
24/2014 468 (445)	Electricity Industry Metering Code clause 6.1(1)	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.	B3	As a result of Western Power's failure to meet the requirements of the SLA in line with clauses 3.11(2) and 5.21(4) of the Metering Code (Licence Obligations 359 and 436), Western Power was unable to demonstrate compliance with clause 6.1(1) of the Metering Code.	For specific causes, refer to licence obligations 359 and 436.	Refer to Licence Obligations 359 and 436.	Refer to Licence Obligations 359 and 436.	Refer to Licence Obligations 359 and 436.	Field Operations (Metering Services)	Refer to Licence Obligations 359 and 436

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
25/2014 488 (464)	Electricity Industry (Network Quality and Reliability of Supply) Code clause 12(3)	A distributor must take prescribed action in the event of a significant interruption to a small use customer.	B3	<p>Enquiries with the Network Planning and Standards Team revealed that Western Power did not meet the prescribed standard as defined under the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i>.</p> <p>Review of Western Power's 2014 Breach Register noted a recent identification of 106,474 customers who have experienced interruptions longer than 12 hours during the period April 2006 to 30 June 2014. A further 24,958 customers during the same period had experienced supply interruptions greater than the number prescribed under the Code.</p> <p>Review of the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> noted that its calculation of permissible interruptions does not exclude adverse weather related events. Our enquiries revealed that Western Power is unable to remedy the cause of such interruptions to facilitate its compliance with this clause.</p> <p>It is understood that the service standard benchmarks in Western Power's Access Arrangement, permit the calculation of significant interruptions to exclude adverse weather related events.</p> <p>Based on discussions held and a review of relevant documentation we determine that Western Power was not compliant with this licence obligation.</p>	<ol style="list-style-type: none"> 1. Adverse weather conditions that cause lengthy outages. 2. Planned maintenance works where alternative arrangements are not available/ possible. 	Engage with the Public Utilities Office (PUO) to amend the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> to align with the service standard benchmarks in the Access Arrangement by way of seeking the exclusion of adverse weather events from the statistical count of significant interruptions to small use customers.	Western Power acknowledges the auditors' observations.	Engage with the PUO to seek an amendment to the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> to align with the service standard benchmarks in the Access Arrangement.	Regulation & Investment Management (Regulatory Compliance)	31 March 2015

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
27/2014 493 (469)	Electricity Industry (Network Quality and Reliability of Supply) Code clause 18	A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe for a failure to give required notice of planned interruption.	B2	<p>Whilst sample-based testing did not note any exceptions, enquiries with the Service Quality Notification Team and review of the service standard payments for planned outages report revealed eight instances within the audit period where customers did not receive payments within the prescribed timeframes.</p> <p>Based on discussions held and review of relevant documentation we determine that Western Power was not compliant with this licence obligation.</p>	<ol style="list-style-type: none"> The handling code was not entered at time of processing payment. Payments processed over the weekend were not approved by a senior employee for the Monday payment run. 	Implement a supervisory review to ensure that the handling code is correctly applied and transactions prepared over a non-business day are approved for payment, to facilitate timely provision of service standard payments.	<p>Western Power acknowledges the auditors' observations. By way of context, Western Power made 683 service standard payments in the 2012/13 financial year, of which only 8 payments (1.2%) were not made within the prescribed timeframe.</p> <p>In 2013/14, Western Power made 751 service standard payments, all of which were made within the prescribed timeframe.</p>	In January 2013, Western Power updated the service standard payment procedures manual to provide that payments must be processed and approved by the team leader prior to 12 noon on Fridays.	Customer Service (Customer Experience)	N/A

<u>Ref no.</u>	<u>Source</u>	<u>Obligation</u>	<u>Rating</u>	<u>Observation</u>	<u>Cause</u>	<u>Recommendation</u>	<u>Management Response</u>	<u>Management Action</u>	<u>Accountable Function and Area</u>	<u>Due Date</u>
2013 (2011)										
28/2014 494 (470)	Electricity Industry (Network Quality and Reliability of Supply) Code clause 19	A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe if a supply interruption exceeds 12 hours.	B2	<p>Whilst sample-based testing did not reveal any exceptions, a review of the service standard payment report for extended outages and discussions with the Customer Services Centre Team noted that Western Power identified that it had not paid two customers their entitlement within the prescribed timeframe.</p> <p>Based on discussions held and review of relevant documentation we determine that Western Power was not compliant with this licence obligation.</p>	<ol style="list-style-type: none"> 1. Large volume of claims to process in major storm events 2. IT server failed to validate cheques 	<ol style="list-style-type: none"> 1. Implement a solution that would facilitate for increased work flow as a result of an adverse weather event. 2. Implement a monitoring mechanism whereby reconciliation is performed to ensure that the payment run aligns with payment entitlements. 	<p>Western Power acknowledges the auditors' observations. By way of context, Western Power made 15,166 extended outage payments in the 2013/14 financial year, of which only 2 payments (0.013%) were not made within the prescribed timeframe.</p> <p>Western Power considers that it is not commercially viable to implement a monitoring mechanism to ensure that the payment run aligns with payment entitlements. Western Power considers that the management actions proposed and the management actions already completed will address the causes of the non-compliance.</p>	<ol style="list-style-type: none"> 1. Western Power has completed the following actions: <ul style="list-style-type: none"> • Implemented an IT solution to automatically detect invalid cheques after each cheque run. • Any exceptions detected by the IT solution are reviewed by Customer Service staff and cheques are then immediately issued to customers. 2. Assess the feasibility of automating extended outages payments to customers via electronic funds transfer. 	Customer Service (Customer Service Centre)	<p>1. 3 July 2014</p> <p>Status: Completed</p> <p>2. 31 December 2014</p>