

**Alinta Energy Transmission
(Roy Hill) Pty Ltd**

**Electricity Integrated Regional
Licence (EIRL6)**

**2016 Performance Audit
(Independent Assurance)**

January 2017 report

Mr Paul Grey
General Manager Pilbara O&M
Alinta Sales Pty Ltd, trading as Alinta Energy
The Quadrant, 1 William Street
Perth, WA 6000

16 January 2017

Dear Paul

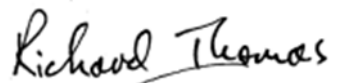
Alinta Energy Transmission (Roy Hill) Pty Ltd Electricity Integrated Regional Licence (EIRL6) – 2016 Performance audit report

We have completed the Electricity Integrated Regional Licence Performance audit for Alinta Energy Transmission (Roy Hill) Pty Ltd for the period 1 October 2013 to 30 September 2016 and are pleased to submit our report to you.

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

If you have any questions or wish to discuss anything raised in the report, please contact Andrew Baldwin on 0414 924 346 or me on 0411 603 644.

Yours sincerely



Richard Thomas
Partner

Deloitte Risk Advisory Pty Ltd

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1 Independent Auditor's report

With the approval of the Economic Regulation Authority (the **Authority**) Alinta Energy Transmission (Roy Hill) Pty Ltd (**AETRH**) engaged Deloitte Risk Advisory Pty Ltd (**Deloitte**) to conduct a performance audit of AETRH's compliance with the conditions of its Electricity Integrated Regional Licence (the **Licence**).

Deloitte conducted the performance audit as a reasonable assurance engagement and in accordance with the specific requirements of the Licence and the April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* issued by the Authority (**Audit Guidelines**).

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

AETRH is responsible for:

- Ensuring that it has complied in all material respects with the requirements of the Licence
- Establishing and maintaining an effective system of internal control over its systems designed to achieve its compliance with the Licence requirements
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority
- Implementing corrective actions for instances of non-compliance (if any).

Deloitte's responsibility

Our responsibility is to express a conclusion in respect of AETRH's compliance with the conditions of the Licence based on our audit procedures. The reasonable assurance engagement has been conducted in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3100 *Compliance Engagements* issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in our opinion, based on the procedures performed, AETRH has complied, in all material respects with the conditions of its Licence as outlined in the approved Audit Plan (dated October 2016) for the period 1 October 2013 to 30 September 2016.

ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures consisted primarily of:

- Utilising the Audit Guidelines and the Electricity Compliance Reporting Manual (**Reporting Manual**) as a guide for development of a risk assessment, and document review to assess controls
- Development of an Audit Plan for approval by the Authority and an associated work program, set out in Appendix A
- Interviews with and representations from relevant AETRH and Alinta Energy staff to gain an understanding of process controls
- Review of documents and walkthrough of processes and controls to assess the overall compliance and effectiveness in accordance with Licence obligations
- Sample testing where relevant for obligations rated as an audit priority 3 and above in the approved Audit Plan.

Limitations of use

This report is intended solely for the information and internal use of AETRH, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report.

We understand that a copy of this report will be provided to the Authority for the purpose of reporting on the performance audit for the Licence. We agree that a copy of this report may be provided to the Authority for its information in connection with this purpose but only on the basis that we accept no duty, liability or

responsibility to the Authority in relation to the report. We accept no duty, responsibility or liability to any party, other than AETRH, in connection with the report or this engagement.

Inherent limitations

Our engagement will provide reasonable assurance as defined in ASAE 3100. Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following:

- The use of selective testing and testing as at a point of time
- The inherent limitations of internal controls
- The fact that much of the evidence available to us is persuasive rather than conclusive
- The use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis. Any projection of the evaluation of the level of compliance to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with management procedures may deteriorate.

Independence

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

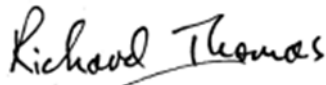
In our opinion, based on the procedures performed, except for the effect of the issues set out in the Basis for qualified conclusion section below, AETRH has complied, in all material respects, with the conditions of its Licence as outlined in the approved Audit Plan (dated October 2016) for the period 1 October 2013 to 30 September 2016.

Basis for qualified conclusion

The following Licence conditions were assessed as non-compliant (rating 2):

Reporting Manual number and Licence condition		Issue
124	<p>Integrated Regional Licence condition 16.1</p> <p>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.</p>	AETRH did not comply with the requirement of clause 5.2.1 of the Reporting Manual to submit a compliance report for the year ending 30 June 2014.
345	<p>Metering Code clause 3.12(4) <i>“Metering installation design requirements”</i></p>	<p>AETRH has not fully complied with the requirements to:</p> <ul style="list-style-type: none"> • Maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for maintenance and auditing purposes (<i>obligation 345</i>) • Maintain and administer a metering database containing the required standing data in accordance with Part 4 of the Metering Code (<i>obligations 366, 369 and 370</i>) • Develop an Energy Data Verification Request Form (<i>obligation 411</i>) • Submit to the Authority for its approval under clause 6.2 of the Metering Code: <ul style="list-style-type: none"> • A proposed model service level agreement • A proposed metrology procedure • Proposed mandatory link criteria.
366	<p>Metering Code clause 4.1(1) <i>“The metering database – general”</i></p>	
369	<p>Metering Code clause 4.2(1) <i>““The metering database – the registry”</i></p>	
370	<p>Metering Code clause 4.3(1) <i>“Standing data items”</i></p>	
411	<p>Metering Code clause 5.20(1) <i>“Energy data verification requests”</i></p> <p>Metering Code clause 6.2 <i>“Network operator must establish documents”</i></p>	

DELOITTE TOUCHE TOHMATSU


Richard Thomas

Partner

Perth, January 2017

2 Executive summary

2.1 Introduction and background

The Economic Regulation Authority (the **Authority**) has, under the provisions of the *Electricity Industry Act 2004* (the **Act**), issued to Alinta Energy Transmission (Roy Hill) Pty Ltd (**AETRH**) an Electricity Integrated Regional Licence (EIRL6) (the **Licence**).

Section 13 of the Act requires AETRH to provide the Authority with an audit (the **audit**) conducted by an independent expert acceptable to the Authority not less than once in every 24 month period (or any longer period that the Authority allows). The Authority set the period to be covered by the audit as 1 October 2013 to 30 September 2016.

At the request of AETRH, Deloitte Risk Advisory Pty Ltd (**Deloitte**) has undertaken a reasonable assurance audit of AETRH's compliance with its Licence obligations.

The Licence covers AETRH's generation, transmission, distribution and retail activity in relation to its supply of power to the Roy Hill iron ore mine via a 220kV transmission line from AETRH's Newman Power Station, a 6MW diesel power station at the Roy Hill mine site and 33kV distribution lines operating throughout the Roy Hill mine site. The construction of AETRH's transmission assets, distribution assets and diesel power station was completed on 15 March 2015. AETRH operates as a fully owned subsidiary within the Alinta Group and is supported by the resource and system capabilities of Alinta Energy.

Under short term Power Purchase Agreements between AETRH and BHPB, AETRH also continued to supply power to BHPB during the period up to July 2016. That power was supplied from a designated gas turbine, which was connected to BHPB owned overhead cables through a segregated busbar located in AETRH's 66kv switchyard.

2.2 Observations

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

- Has developed procedures and controls designed to help:
 - Facilitate compliance with its Licence obligations
 - Uphold the integrity of its reporting to the Authority and other statutory organisations on matters specific to its Licence obligations
- Maintains a strong records management system and document library, although there is a documentation gap relating to its management of meters
- Has, through Power Purchase Agreements with its customers, addressed those requirements of the Licence and specifically the Metering Code that relate to its day-to-day operations and supply of electricity to customers
- Until the time of this audit, was not fully aware of all of its obligations under the Metering Code, in relation to its role as a network operator.

2.3 Findings

The following tables summarise the assessments made during the audit on AETRH's compliance and the adequacy of controls in place for AETRH to manage its compliance with the relevant obligations or conditions of the Licence:

Table 1 sets out the rating scale defined by the Authority in the Audit Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, AETRH was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

Table 1: Compliance and control adequacy rating scale

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties

- On a scale of 1 to 4, “1” is the highest compliance rating possible (defined as “Compliant”) with the rating scale moving through to “4”, the lowest rating possible (defined as “Non-compliant – major impact on customers or third parties”)
- On a scale of A to D, “A” is the highest control adequacy rating (defined as “Adequate controls – no improvement needed”) with the rating scale moving through to “D”, the lowest control adequacy rating possible (defined as “No controls evident”).

Table 4 at section 3 of this report provides further detail on the compliance and control adequacy rating scales. The above rating scale is defined by the Audit Guidelines.

Table 2: Summary of findings, by audit priority and compliance rating

Audit Priority	Compliance rating				NR	Total
	1	2	3	4		
Priority 1	-	-	-	-	-	-
Priority 2	-	-	-	-	2	2
Priority 3	4	5	-	-	11	20
Priority 4	33	1	-	-	78	112
Priority 5	11	-	-	-	18	29
Total:	48	6	-	-	109	163

Table 3: Summary of findings, by audit priority and control adequacy

Audit Priority	Control adequacy rating				NP ¹	Total
	A	B	C	D		
Priority 1	-	-	-	-	-	-
Priority 2	-	-	-	-	2	2
Priority 3	-	12	7	1	-	20
Priority 4	1	4	-	-	107	112
Priority 5	-	-	-	-	29	29
Total:	1	16	7	1	138	163

¹ Refers to the obligations for which a control assessment was not required (obligations with an audit priority of 4 or 5 and a compliance rating of 1, or which were not rateable).

Note that, in accordance with the current Audit Guidelines, obligations assessed as being “not applicable” to AETRH’s operations have not been included within this report.

Specific assessments for each Licence obligation are summarised at **Table 4** in the “Summary of findings” section of this report.

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

2.4 AETRH’s response to previous audit recommendations

Not applicable - as this is the first audit of AETRH’s Licence obligations, there are no previous audit recommendations requiring AETRH’s response.

2.5 Recommendations and action plans

A. Resolved during current audit period

Reporting manual no. & Licence condition ref	Control adequacy	Issue
Obligation 124 A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act. <i>Integrated Regional Licence condition 16.1</i>	Adequate controls – no improvement needed (A)	Per clause 5.2.1 of the Reporting Manual, AETRH is required to submit compliance reports for the year ending 30 June to the Authority by 31 August each year. In relation to the year ending 30 June 2014, AETRH did not comply with the requirement to submit a compliance report. We note that as at 30 June 2014, AETRH’s assets were still under construction and AETRH had not yet commenced generating, transmitting, distributing or supplying electricity under the Licence.
	Compliance rating Non-compliant (2)	
Action taken Since August 2015, AETRH has utilised a compliance tracking system to ensure that required reports are prepared and submitted within the required timeframes. Date Resolved: August 2015		Auditor’s comments No further action required.

B. Unresolved at end of current audit period

Reporting manual no. & Licence condition ref	Control adequacy	Issue 1/2016
<p>Obligation 103 A licensee must notify details of the asset management system and any substantial changes to it to the Authority. <i>Electricity Industry Act section 14.1(b)</i></p>	<p>Generally adequate controls – improvement needed (B)</p> <hr/> <p>Compliance rating</p> <p>Compliant (1)</p>	<p>Through discussions with the Manager Asset Management & Engineering and General Manager Pilbara O&M; and consideration of AETRH’s Asset Management Framework and Site Asset Management Plans, we determined that AETRH’s asset management system has further evolved since the Authority was advised of the details of the system at the time of AETRH’s application for its Licence. The key enhancement made during the period subject to this audit relates to the use of the SPM Asset software for supplementing the capabilities of the Ellipse system in AETRH’s approach to assessing and treating risks. Judgement is required to determine whether changes to the asset management system during the audit period are sufficiently substantial as to require specific notification to the Authority in accordance with the requirements of section 14(1) of the Act. AETRH had not specifically considered this requirement and does not have a protocol in place for determining whether the requirement has been triggered. As it may be reasonable to form a view either way, we consider AETRH has not breached the requirements of the Act.</p>
<p>Recommendation 1/2016 AETRH establish a protocol for determining what constitutes a “substantial change” in its asset management system and for duly notifying the Authority when appropriate.</p>	<p>Action Plan 1/2016 AETRH will amend its Management of Change procedure to include a definition of a “substantial change” to the asset management system, requiring management under that procedure and which will acknowledge the requirement to notify the Authority of any such change. Responsible Person: Manager, Asset Management & Engineering Target Date: 31 December 2016</p>	

Reporting manual (obligation) no.	Metering Code clause	Control adequacy	Compliance rating
319	3.1	Generally adequate controls – improvement needed (B)	Not rated
320	3.2(1)	Inadequate controls – significant improvement required (C)	Not rated
326, 327	3.5(1), (2) and (3)	Generally adequate controls – improvement needed (B)	Not rated
331	3.7	Generally adequate controls – improvement needed (B)	Not rated
332	3.8	Generally adequate controls – improvement needed (B)	Compliant (1)
333	3.9(3)	Generally adequate controls – improvement needed (B)	Compliant (1)
336	3.10	Generally adequate controls – improvement needed (B)	Compliant (1)
337	3.11(1)	Generally adequate controls – improvement needed (B)	Not rated
340, 341	3.11A(1) and (2)	Generally adequate controls – improvement needed (B)	Not rated
342 - 344	3.12(1) to (3)	Generally adequate controls – improvement needed (B)	Not rated
345	3.12(4)	Inadequate controls – significant improvement required (C)	Non-compliant (2)
357	3.21(1)	Generally adequate controls – improvement needed (B)	Compliant (1)
366	4.1(1)	Inadequate controls – significant improvement required (C)	Non-compliant (2)
369	4.2(1)	Inadequate controls – significant improvement required (C)	Non-compliant (2)
370	4.3(1)	Inadequate controls – significant improvement required (C)	Non-compliant (2)
411	5.20(1)	Inadequate controls – significant improvement required (C)	Non-compliant (2)
422	5.22(1)	Generally adequate controls – improvement needed (B)	Compliant (1)
434	5.25	No controls evident (D)	Not rated
447	6.1(1)	Inadequate controls – significant improvement required (C)	Not rated
Issue 2/2016 - refer to next page			

Issue 2/2016

AETRH maintains two meters on its electricity transmission and distribution network for measuring and recording energy data relating to electricity transferred to its single customer's delivery points. AETRH's Power Purchase Agreement (PPA) with its customer specifies AETRH's obligations for installing, operating and maintaining metering equipment in accordance with *Good Engineering and Operating Practices* and the Metering Code. All energy data from these meters is captured within Alinta Energy's Honeywell Experion system.

Although AETRH has demonstrated that it has operated its meters and recorded related energy data to the satisfaction of its customer throughout the period subject to this audit:

1. AETRH has not fully complied with the requirements to:
 - Maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for maintenance and auditing purposes (*obligation 345*)
 - Maintain and administer a metering database containing the required standing data in accordance with Part 4 of the Metering Code (*obligations 366, 369 and 370*)
 - Develop an Energy Data Verification Request Form (*obligation 411*).
2. AETRH has not established a clear metering management plan or framework for demonstrating its:
 - Installation and maintenance of meters in accordance with an applicable metrology procedure, the specifications of the National Measurement Institute under the *National Measurements Act*; and the functionality and testing requirements outlined in Part 3 of the Metering Code (*obligations 319, 320, 326, 327, 331 to 333, 336, 337, 340 to 344*)
 - Management of validated energy data (*obligation 422*)
 - Compliance with all applicable agreements, rules, procedures, criteria and processes outlined in Part 6 of the Metering Code (*obligation 447*).

We also note that AETRH has not complied with clause 6.2 of the Metering Code, which requires a network operator to submit a proposed model service level agreement, metrology procedure and mandatory link criteria to the Authority for its approval (clause 6.2 of the Metering Code is not referenced in the Reporting Manual and was not included in the audit plan). We acknowledge that there are no other users of AETRH's transmission and distribution network and no foreseeable prospect of a request to use the network.

Recommendation 2/2016

AETRH:

1. Establish a formal metering database, maintain drawings and supporting information and develop an Energy Data Verification Request Form to ensure its compliance with the requirements of the Metering Code.
2. Prepare a metering management plan (or similar) to:
 - a. Incorporate the requirements of the Metering Code relevant to AETRH's metering operations
 - b. Consolidate and expand on the obligations contained in the PPA.
3. Reach a position on its approach for addressing the technical requirements of clause 6.2 of the Metering Code.

Action Plan 2/2016

AETRH will:

1. Establish a formal metering database, maintain drawings and supporting information and develop an Energy Data Verification Request Form to ensure its compliance with the requirements of the Metering Code.
2. Prepare a metering management plan to incorporate the requirements of the Metering Code relevant to AETRH's metering operations.
3. Reach a position on its approach for addressing the technical requirements of clause 6.2 of the Metering Code.

Responsible Person: General Manager Pilbara O&M

Target Date: 31 March 2017

2.6 Scope and objectives

As described in our engagement letter dated 13 July 2016, we have conducted a reasonable assurance audit in order to state whether, in our opinion, based on our procedures, AETRH has complied, in all material respects, with the conditions of its Licence as outlined in the approved Audit Plan (dated October 2016) during the period 1 October 2013 to 30 September 2016.

Our engagement was conducted in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board and provides reasonable assurance as defined in ASAE 3100. The procedures we performed are described in more detail in section 2.7 below.

A reasonable assurance engagement in accordance with ASAE 3100 involves performing procedures to obtain evidence about the compliance with the conditions of the Licence. The nature, timing and extent of procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material misstatement in compliance with the conditions of the Licence. In making those risk assessments; we considered internal controls in relation to compliance with the conditions of the Licence.

ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

The Authority has summarised the requirements of the applicable legislation that it expects to be reported upon and included in the scope of this audit in its *September 2014 Electricity Compliance Reporting Manual (Reporting Manual)*.

The Audit Plan approved by the Authority for this audit sets out the Licence conditions confirmed to be included in the scope of the audit, along with the risk assessments and audit priority assigned to each licence obligation. Note that under the current Audit Guidelines, the audit report is not required to include reference to those obligations assessed as "Not Applicable" to AETRH's operations.

2.6.1 Risk assessment revisions

During the audit, we determined that the following obligations were not applicable to AETRH's operations:

- **72 to 77:** The Electricity Industry (Obligation to Connect Code) defines customers as small use customers ("a customer who consumes not more than 160 MWh of electricity per annum"). AETRH is not licenced to supply electricity to small use customers.

2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during the period November to December 2016:

- Utilising the Audit Guidelines and Reporting Manuals (June 2013, May 2014, July 2014 and September 2014 versions) as a guide, development of a risk assessment which involved discussions with key staff and document review to assess controls
- Development of an Audit Plan (see **Appendix A**) for approval by the Authority and an associated work program
- Interviews with relevant site level AETRH staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Review of documents and walkthrough of processes and controls to assess the overall compliance and effectiveness of those processes and controls in accordance with Licence obligations (see **Appendix B** for reference listing)
- Sample testing for obligations assessed as an audit priority 3 (or above) and where there was relevant activity to determine whether transactions complied with the requirements of the obligation
- Reporting of findings to AETRH for review and response.

3 Summary of findings

Table 1 in section 2 above sets out the rating scale defined by the Authority in the Audit Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, AETRH was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

The remainder of this report provides:

- A summary of the findings for the compliance obligations (at **Table 4** below)
- Detailed findings, including relevant observations, recommendations and action plans (at **Section 4**).

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

Table 4: Compliance Ratings

Refer to Detailed Findings at section 4 and Audit Plan at Appendix A for descriptions of the obligations. Note that detailed findings are not presented for those obligations assessed to be not applicable to AETRH’s operations for the period subject to audit - refer to the Audit Plan at Appendix A for further explanation.

#	Obligation reference (condition/clause)	Audit Plan				Adequacy of controls rating					Compliance rating					
		Consequence	Likelihood	Inherent Risk Rating	Control assessment	A	B	C	D	NP	Audit Risk/ Priority	1	2	3	4	NR
12 Electricity Industry Act – Licence Conditions and Obligations																
101	13(1)	Minor	Unlikely	Low	Moderate					✓	Priority 5	✓				
102	14(1)(a)	Minor	Probable	Low	Moderate					✓	Priority 5	✓				
103	14(1)(b)	Moderate	Probable	Medium	Moderate		✓				Priority 4	✓				
104	14(1)(c)	Minor	Unlikely	Low	Moderate					✓	Priority 5	✓				
105	17(1)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
106	31(3)	Minor	Probable	Low	Moderate					✓	Priority 5	✓				
107	41(6)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
110	76	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
112	115(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
13 Electricity Licences – Licence Conditions and Obligations																
119	12.1 or 24.1	Moderate	Unlikely	Medium	Strong					✓	Priority 4	✓				
120	13.4 or 25.4	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
121	14.2	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
122	20.5	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
123	15.1	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
124	16.1	Moderate	Unlikely	Medium	Moderate	✓					Priority 4		✓			
125	17.1 and 17.2	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
126	18.1	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
127	Licence condition 29.1	Major	Unlikely	High	Moderate					✓	Priority 2					✓
128	Licence condition 29.3	Major	Unlikely	High	Moderate					✓	Priority 2					✓
15 Electricity Industry Metering Code – Licence Conditions and Obligations																
Part 2 Code objectives and arms-length treatment																
317	2.2(1)(a)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
318	2.2(1)(b)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓

#	Obligation reference (condition/clause)	Audit Plan				Adequacy of controls rating					Compliance rating					
		Consequence	Likelihood	Inherent Risk Rating	Control assessment	A	B	C	D	NP	Audit Risk/ Priority	1	2	3	4	NR
Part 3 Meters and metering instalments																
319	3.1	Moderate	Probable	Medium	Weak		✓				Priority 3					✓
320	3.2(1)	Moderate	Probable	Medium	Weak			✓			Priority 3					✓
321	3.3(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
322	3.3(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
323	3.3A(1)	Moderate	Probable	Medium	Moderate					✓	Priority 4					✓
324	3.3B	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
325	3.3C	Moderate	Probable	Medium	Moderate					✓	Priority 4					✓
326	3.5(1) and (2)	Moderate	Probable	Medium	Weak		✓				Priority 3					✓
327	3.5(3)	Moderate	Probable	Medium	Weak		✓				Priority 3					✓
328	3.5(4)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
329	3.5(6)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
330	3.5(9)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
331	3.7	Moderate	Probable	Medium	Weak		✓				Priority 3					✓
332	3.8	Moderate	Probable	Medium	Weak		✓				Priority 3	✓				
333	3.9(3)	Moderate	Probable	Medium	Weak		✓				Priority 3	✓				
334	3.9(7)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
335	3.9(9)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
336	3.10	Moderate	Probable	Medium	Weak		✓				Priority 3	✓				
337	3.11(1)	Moderate	Probable	Medium	Weak		✓				Priority 3					✓
338	3.11(2)	Moderate	Probable	Medium	Moderate					✓	Priority 4					✓
339	3.11(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
340	3.11A(1)	Moderate	Probable	Medium	Weak		✓				Priority 3					✓
341	3.11A(2)	Moderate	Probable	Medium	Moderate		✓				Priority 4					✓
342	3.12(1)	Moderate	Probable	Medium	Weak		✓				Priority 3					✓
343	3.12(2)	Moderate	Probable	Medium	Weak		✓				Priority 3					✓
344	3.12(3)	Moderate	Probable	Medium	Weak		✓				Priority 3	✓				

#	Obligation reference (condition/clause)	Audit Plan				Adequacy of controls rating					Compliance rating					
		Consequence	Likelihood	Inherent Risk Rating	Control assessment	A	B	C	D	NP	Audit Risk/ Priority	1	2	3	4	NR
345	3.12(4)	Moderate	Probable	Medium	Weak			✓			Priority 3		✓			
346	3.13(1)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
347	3.13(3)(c)	Moderate	Probable	Medium	Moderate					✓	Priority 4					✓
348	3.13(4)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
349	3.14(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
355	3.20(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
356	3.20(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
357	3.21(1)	Moderate	Unlikely	Medium	Moderate		✓				Priority 4	✓				
358	3.21(2)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
359	3.22	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
360	3.23(a)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
361	3.23(b)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
364	3.27	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
365	3.29	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
Part 4 The metering database																
366	4.1(1)	Moderate	Probable	Medium	Weak			✓			Priority 3		✓			
367	4.1(2)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
368	4.1(3)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
369	4.2(1)	Moderate	Probable	Medium	Weak			✓			Priority 3		✓			
370	4.3(1)	Moderate	Probable	Medium	Weak			✓			Priority 3		✓			
371	4.4(1)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
372	4.5(1)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
373	4.5(2)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
374	4.6(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
375	4.6(2)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
376	4.7	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
377	4.8(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
378	4.8(3A)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓

#	Obligation reference (condition/clause)	Audit Plan				Adequacy of controls rating					Compliance rating					
		Consequence	Likelihood	Inherent Risk Rating	Control assessment	A	B	C	D	NP	Audit Risk/ Priority	1	2	3	4	NR
379	4.8(4)(a)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
380	4.8(4)(b)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
381	4.8(5)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
382	4.9	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
Part 5 Metering services																
383	5.1 (1)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
384	5.1(2)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
385	5.3	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
386	5.4(1)	Minor	Probable	Low	Moderate					✓	Priority 5	✓				
387	5.4(1A)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
388	5.4(2)	Minor	Probable	Low	Moderate					✓	Priority 5					✓
389	5.5(2)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
390	5.5(2A)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
391	5.6(1)	Minor	Unlikely	Low	Moderate					✓	Priority 5	✓				
392	5.7	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
393	5.8	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
394	5.9	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
397	5.12(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
398	5.13	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
399	5.14(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
400	5.15	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
401	5.16	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
402	5.17(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
403	5.17A(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
404	5.17A(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
405	5.18	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
406	5.19(1)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓

#	Obligation reference (condition/clause)	Audit Plan				Adequacy of controls rating					Compliance rating					
		Consequence	Likelihood	Inherent Risk Rating	Control assessment	A	B	C	D	NP	Audit Risk/ Priority	1	2	3	4	NR
407	5.19(2)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
408	5.19(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
409	5.19(5)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
410	5.19(6)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
411	5.20(1)	Moderate	Probable	Medium	Weak			✓			Priority 3		✓			
412	5.20(2)	Moderate	Probable	Medium	Moderate					✓	Priority 4					✓
413	5.20(4)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
414	5.21(2)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
415	5.21(4)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
416	5.21(5)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
417	5.21(6)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
418	5.21(8)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
419	5.21(9)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
420	5.21(11)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
421	5.21(12)	Moderate	Probable	Medium	Moderate					✓	Priority 4					✓
422	5.22(1)	Moderate	Probable	Medium	Moderate		✓				Priority 4	✓				
423	5.22(2)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
424	5.22(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
425	5.22(4)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
426	5.22(5)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
427	5.22(6)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
428	5.23(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
429	5.23(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
430	5.24(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
431	5.24(2)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
432	5.24(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
433	5.24(4)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓

#	Obligation reference (condition/clause)	Audit Plan				Adequacy of controls rating					Compliance rating					
		Consequence	Likelihood	Inherent Risk Rating	Control assessment	A	B	C	D	NP	Audit Risk/ Priority	1	2	3	4	NR
434	5.25	Moderate	Probable	Medium	Weak				✓		Priority 3					✓
435	5.27	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
441	5.37(1)(a)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
442	5.37(1)(b)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
443	5.37(1)(b)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
444	5.37(2)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
445	5.37(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
446	5.38	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
Part 6 Documentation																
447	6.1(1)	Moderate	Probable	Medium	Weak			✓			Priority 3					✓
448	6.1(2)	Moderate	Probable	Medium	Moderate					✓	Priority 4					✓
449	6.20(4)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
450	6.20(5)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
Part 7 Notes and confidential information																
451	7.2(1)	Minor	Probable	Low	Moderate					✓	Priority 5	✓				
452	7.2(2)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
453	7.2(4)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
454	7.2(5)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
455	7.5	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
456	7.6(1)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
Part 8 Dispute resolution																
457	8.1(1)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
458	8.1(2)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
459	8.1(3)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
460	8.1(4)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
461	8.3(2)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
16 Electricity Industry (Network Quality and Reliability of Supply) Code – Licence Conditions and Obligations																
462	5(1)	Minor	Probable	Low	Moderate					✓	Priority 5	✓				

#	Obligation reference (condition/clause)	Audit Plan				Adequacy of controls rating					Compliance rating					
		Consequence	Likelihood	Inherent Risk Rating	Control assessment	A	B	C	D	NP	Audit Risk/ Priority	1	2	3	4	NR
463	8	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
464	9	Minor	Probable	Low	Moderate					✓	Priority 5	✓				
465	10(1)	Minor	Probable	Low	Moderate					✓	Priority 5	✓				
466	10(2)	Minor	Probable	Low	Moderate					✓	Priority 5					✓
468	13(2)	Minor	Unlikely	Low	Moderate					✓	Priority 5					✓
469	13(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
470	14(8)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4					✓
471	15(2)	Moderate	Probable	Medium	Moderate					✓	Priority 4					✓
477	23(1)	Minor	Probable	Low	Moderate					✓	Priority 5	✓				
478	23(2)	Moderate	Probable	Medium	Moderate					✓	Priority 4	✓				
479	24(3)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				
480	24(4)	Moderate	Unlikely	Medium	Moderate					✓	Priority 4	✓				

4 Detailed findings, recommendations and action plans

This section has been structured in subsections for the relevant Codes and Regulations against which we assessed AETRH's compliance. The sections are:

- 4.1 Electricity Industry Act 2004
- 4.2 Electricity Licenses - Licence Conditions and Obligations
- 4.3 Electricity Industry Metering Code 2005
- 4.4 Electricity Industry (Network Quality and Reliability of Supply) Code.

Each section contains:

Assessment of compliance and control adequacy – the conclusions from our audit procedures and our assessment of AETRH's compliance with the applicable obligations. These tables include:

- **Findings** – the auditor's understanding of the process and any issues that have been identified during the audit
- **Recommendations** – recommendations for improvement or enhancement of the process or control
- **Action plans** – AETRH's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit, assignment of the actions to appropriate staff and corresponding completion dates for the actions.

The compliance and control adequacy ratings have been summarised below for each sub-section.

Controls adequacy rating						Compliance rating					
A	B	C	D	NP	Total	1	2	3	4	NR	Total
<i>4.1 Electricity Industry Act – Licence Conditions and Obligations</i>											
-	1	-	-	8	9	8	-	-	-	1	9
<i>4.2 Electricity Licences – Licence Conditions and Obligations</i>											
1	-	-	-	9	10	5	1	-	-	4	10
<i>4.3 Electricity Industry Metering Code – Licence Conditions and Obligations</i>											
-	15	7	1	108	131	28	5	-	-	98	131
<i>4.4 Electricity Industry (Network Quality and Reliability of Supply) Code – Licence Conditions and Obligations</i>											
-	-	-	-	13	13	7	-	-	-	6	13
1	16	7	1	138	163	48	6	-	-	109	163

4.1 Electricity Industry Act 2004

No.	Obligation under condition	Findings
101	<p>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.</p> <p><i>Electricity Industry Act section 13(1)</i></p>	<p>On 26 July 2016, Deloitte was appointed with the Authority's approval to undertake the first performance audit for the period 1 October 2013 to 30 September 2016. AETRH's arrangements made prior to 1 October 2016 were consistent with the requirements of section 13(1) of the Act.</p>
	<p>Priority: 5 Controls rating: NP Compliance Rating: 1</p>	
102	<p>A licensee must provide for an asset management system.</p> <p><i>Electricity Industry Act section 14(1)(a)</i></p>	<p>We examined correspondence between AETRH and the Authority, which confirmed that:</p> <ul style="list-style-type: none"> The construction of AETRH's assets was completed on 15 March 2015 AETRH had developed an asset management system and had provided an outline of that an asset management system to the Authority on 19 March 2015.
	<p>Priority:5 Controls rating: NP Compliance Rating: 1</p>	
103	<p>A licensee must notify details of the asset management system and any substantial changes to it to the Authority.</p> <p><i>Electricity Industry Act section 14(1)(b)</i></p>	<p>Through discussions with the Manager Asset Management & Engineering and General Manager Pilbara O&M; and consideration of AETRH's Asset Management Framework and Site Asset Management Plans, we determined that AETRH's asset management system has further evolved since the Authority was advised of the details of the system at the time of AETRH's application for its Licence and subsequently on 19 March 2015, at the time AETRH provided an outline of that an asset management system to the Authority. The key enhancement made during the period subject to this audit relates to the use of the SPM Asset software for supplementing the capabilities of the Ellipse system in AETRH's approach to assessing and treating risks.</p> <p>Judgement is required to determine whether changes to the asset management system during the audit period are sufficiently substantial as to require specific notification to the Authority in accordance with the requirements of section 14(1) of the Act. AETRH had not specifically considered this requirement and does not have a protocol in place for determining whether the requirement has been triggered.</p> <p>As it may be reasonable to form a view either way, we consider AETRH has not breached the requirements of the Act.</p>
	<p>Priority:4 Controls rating: B Compliance Rating: 1</p>	
	<p>Recommendation 1/2016</p> <p>AETRH establish a protocol for determining what constitutes a "substantial change" in its asset management system and for duly notifying the Authority when appropriate.</p>	<p>Action Plan 1/2016</p> <p>AETRH will amend its Management of Change procedure to include a definition of a "substantial change" to the asset management system, requiring management under that procedure and which will acknowledge the requirement to notify the Authority of any such change.</p> <p>Responsible Person: Manager, Asset Management & Engineering Target Date: 31 December 2016</p>

No.	Obligation under condition	Findings			
104	<p>A licensee must provide the Authority with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the Authority.</p> <p><i>Electricity Industry Act section 14(1)(c)</i></p>	<p>On 26 July 2016, Deloitte was appointed with the Authority's approval to undertake the first review of AETRH's asset management system for the period 1 October 2013 to 30 September 2016. AETRH's arrangements made prior to 1 October 2016 were consistent with the requirements of section 14(1)(c) of the Act.</p>			
	<table border="1"> <tr> <td>Priority:5</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority:5	Controls rating: NP	Compliance Rating: 1	
Priority:5	Controls rating: NP	Compliance Rating: 1			
105	<p>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.</p> <p><i>Electricity Industry Act section 17(1)</i></p>	<p>Through examination of AETRH's financial records of licence fee payments processed and the respective invoices issued by the Authority for licence fees payable, we determined that the annual licence fees for 2013, 2014 and 2015 were appropriately paid within one month of the 1 October anniversary date.</p>			
	<table border="1"> <tr> <td>Priority:4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority:4	Controls rating: NP	Compliance Rating: 1	
Priority:4	Controls rating: NP	Compliance Rating: 1			
106	<p>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.</p> <p><i>Electricity Industry Act section 31(3)</i></p>	<p>Through discussion with the General Manager Pilbara O&M and Newman Power Station Plant Manager and examination of AETRH's Emergency Response Plan and the PPA with its customer, we determined that:</p> <ul style="list-style-type: none"> AETRH maintains emergency response, incident response and business continuity management systems, which support AETRH's commitment to its customer for maintaining continuity of supply and safe and secure operations AETRH managers are notified (via email distribution group) of significant disruptions as and when they occur. 			
	<table border="1"> <tr> <td>Priority:5</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority:5	Controls rating: NP	Compliance Rating: 1	
Priority:5	Controls rating: NP	Compliance Rating: 1			
107	<p>A licensee must pay the costs of taking an interest in land or an easement over land.</p> <p><i>Electricity Industry Act section 41(6)</i></p>	<p>The route of AETRH's transmission line crosses state and private landowner properties, including pastoral leases, freehold tenure, native title claim areas and tenure under the Mining Act 1978.</p> <p>Through discussion with the General Manager Pilbara O&M, examination of documentation supporting AETRH's licence application and easement agreements, and consideration of AETRH's payment arrangements, we determined that AETRH has applied the following processes during the period subject to audit:</p> <ul style="list-style-type: none"> As part of its licence application process, AETRH identified all relevant land owners and parties with an interest in land on which its transmission assets are located Where required, easements and agreements were established to facilitate the construction of AETRH's transmission assets on those land holdings In instances where there is an associated cost to AETRH in those easements and agreements, AETRH pays the due amount in accordance with invoices or contractual terms. 			
	<table border="1"> <tr> <td>Priority:4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority:4	Controls rating: NP	Compliance Rating: 1	
Priority:4	Controls rating: NP	Compliance Rating: 1			

No.	Obligation under condition	Findings			
110	<p>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.</p> <p><i>Electricity Industry Act section 76</i></p>	<p>As the Authority has not yet designated an area under section 68(1) of the Electricity Industry Act, AETRH's compliance with this obligation cannot be rated for the period under audit. The Manager Regulatory Compliance confirmed that the Authority has not consulted with AETRH under section 71 in relation to designating AETRH (the licensee) as a supplier of last resort.</p>			
	<table border="1"> <tr> <td>Priority:4</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority:4	Controls rating: NP	Compliance Rating: NR	
Priority:4	Controls rating: NP	Compliance Rating: NR			
112	<p>A licensee that is a network service provider or an associate of a network service provider, in relation to network infrastructure covered by the Code, must not engage in conduct for the purpose of hindering or prohibiting access by any person to services in accordance with the Code, the making of access agreements or any particular agreement in respect of those facilities, or the access to which a person is entitled under an access agreement or a determination made by way of arbitration.</p> <p><i>Electricity Industry Act section 115(1)</i></p>	<p>Through discussion with the General Manager Pilbara O&M, we determined that AETRH has not engaged in any conduct for the purpose of hindering or prohibiting access by any person to services in accordance with the Code, the making of access agreements or any particular agreement in respect of those facilities, or the access to which a person is entitled under an access agreement or a determination made by way of arbitration.</p> <p>Access to AETRH's network (relating to the Licence) is governed by AETRH's PPA with its customer. The General Manager Pilbara O&M confirmed that there have been no additional requests for access to the network during the audit period outside of the terms of the existing PPA.</p>			
	<table border="1"> <tr> <td>Priority:4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority:4	Controls rating: NP	Compliance Rating: 1	
Priority:4	Controls rating: NP	Compliance Rating: 1			

4.2 Electricity Licences – Licence Conditions and Obligations

No.	Obligation under condition	Findings
119	<p>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.</p> <p><i>Integrated Regional Licence condition 12.1 or 24.1</i></p>	<p>The Manager Finance (Power Generation) confirmed that:</p> <ul style="list-style-type: none"> To the best of his knowledge, the Alinta Group reporting structure in which the licensee (Alinta Energy Transmission (Roy Hill) Pty Ltd) is a subsidiary, has maintained accounting records that comply with Australian Accounting Standards during the period 1 October 2013 to 30 September 2016 AETRH's financial reporting period is from 1 July to 30 June There are no significant accounting transactions or items that would currently jeopardise AETRH's compliance with accounting standards Alinta Energy's financial statements for the year ending 30 June 2016 were unqualified. <p>Alinta Energy's published financial statements and signed annual audit reports were sighted for the years ending 30 June 2014 and 2015. The financial statements were unqualified.</p>
	<p>Priority:4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
120	<p>A licensee must comply with any individual performance standards prescribed by the Authority.</p> <p><i>Integrated Regional Licence condition 13.4 or 25.4</i></p>	<p>The Manager Regulatory Compliance confirmed that, during the period 1 October 2013 to 30 September 2016, AETRH was not prescribed individual performance standards by the Authority. Therefore, an assessment of AETRH's compliance with this obligation cannot be made for the period subject to audit.</p>
	<p>Priority:4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
121	<p>A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.</p> <p><i>Integrated Regional Licence condition 14.2</i></p>	<p>On 26 July 2016, Deloitte was appointed with the Authority's approval to undertake the first performance audit for the period 1 October 2013 to 30 September 2016. AETRH's arrangements made prior to 1 October 2016 were consistent with the requirements of the Authority's standard audit guidelines.</p>
	<p>Priority:4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
122	<p>A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the Authority's standard guidelines dealing with the asset management system.</p> <p><i>Integrated Regional Licence condition 20.5</i></p>	<p>On 26 July 2016, Deloitte was appointed with the Authority's approval to undertake the first review of AETRH's asset management system for the period 1 October 2013 to 30 September 2016. AETRH's arrangements made prior to 1 October 2016 were consistent with the requirements of the Authority's standard audit guidelines.</p>
	<p>Priority:4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
123	<p>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.</p> <p><i>Integrated Regional Licence condition 15.1</i></p>	<p>The Manager Regulatory Compliance confirmed that, during the period 1 October 2013 to 30 September 2016, AETRH was not under external administration and has not undergone any significant change in circumstances upon which its Licence was granted, which may affect its ability to meet its Licence obligations. Accordingly, there was no obligation to report to the Authority.</p>
	<p>Priority:4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	

No.	Obligation under condition	Findings			
124	<p>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.</p> <p><i>Integrated Regional Licence condition 16.1</i></p>	<p>Per clause 5.2.1 of the Reporting Manual, AETRH is required to submit compliance reports for the year ending 30 June to the Authority by 31 August each year:</p> <ul style="list-style-type: none"> AETRH submitted compliance reports for the years ending 30 June 2015 and 30 June 2016 to the Authority by 31 August each year In relation to the year ending 30 June 2014, AETRH's assets were still under construction and AETRH had not yet commenced generating, transmitting, distributing or supplying electricity under the Licence. However, there remained a requirement for AETRH to submit a compliance report, which AETRH did not meet. <p>Through discussions with the Regulation Wholesale Manager and consideration of AETRH's compliance management activities, we determined that AETRH has the following processes in place to provide the required information to the Authority:</p> <ul style="list-style-type: none"> The Regulation Wholesale Manager is responsible for monitoring compliance with AETRH's Licence obligations, including the timing of submission of required information and reports Since August 2015, AETRH has utilised a compliance tracking system to ensure that required reports are prepared and submitted within the required timeframes. <p>The Manager Regulatory Compliance confirmed that for the period subject to audit, the Authority made ad hoc enquiries but has not required AETRH to formally provide any further information.</p>			
	<table border="1"> <tr> <td>Priority:4</td> <td>Controls rating: A</td> <td>Compliance Rating: 2</td> </tr> </table>	Priority:4	Controls rating: A	Compliance Rating: 2	
Priority:4	Controls rating: A	Compliance Rating: 2			
	<p>Recommendation</p> <p>Not Applicable – this issue was resolved during the audit period.</p>	<p>Action Plan</p> <p>No further action required.</p>			
125	<p>A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.</p> <p><i>Integrated Regional Licence condition 17.1 and 17.2</i></p>	<p>The Manager Regulatory Compliance confirmed that the Authority did not direct AETRH to publish any information during the period 1 October 2013 to 30 September 2016.</p> <p>We note that under section 28 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005, AETRH is exempt from publishing an annual performance report each year as it is not permitted to contract small use customers under the Licence.</p>			
	<table border="1"> <tr> <td>Priority:4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority:4	Controls rating: NP	Compliance Rating: 1	
Priority:4	Controls rating: NP	Compliance Rating: 1			
126	<p>Unless otherwise specified, all notices must be in writing.</p> <p><i>Integrated Regional Licence condition 18.1</i></p>	<p>The Regulation Wholesale Manager maintains manual and scanned records to evidence formal communications with the Authority, which have been made via post or email.</p>			
	<table border="1"> <tr> <td>Priority:4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority:4	Controls rating: NP	Compliance Rating: 1	
Priority:4	Controls rating: NP	Compliance Rating: 1			
127	<p>A distributor must create and maintain a Priority Restoration Register.</p> <p><i>Integrated Regional Licence condition 29.1</i></p>	<p><i>Obligations 127 and 128</i></p> <p>Schedule 2 – Additional Licence Clauses, clause 3.1 of AETRH's Licence states that AETRH "...is not required to maintain a priority restoration register where the distribution system covered by this licence transports electricity to one customer only".</p>			
	<table border="1"> <tr> <td>Priority:2</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority:2	Controls rating: NP	Compliance Rating: NR	
Priority:2	Controls rating: NP	Compliance Rating: NR			

No.	Obligation under condition	Findings	
128	<p>The Priority Restoration Register must comply with any criteria determined by the Minister.</p> <p><i>Integrated Regional Licence condition 29.3</i></p>	<p>As AETRH's distribution system transported electricity to one customer only during the period subject to audit, AETRH was not required to maintain a priority restoration register.</p>	
	Priority:2	Controls rating: NP	Compliance Rating: NR

4.3 Electricity Industry Metering Code 2012

Summary findings

AETRH maintains two meters on its electricity transmission and distribution network for measuring and recording energy data relating to electricity transferred to its single customer's delivery points. AETRH's Power Purchase Agreement (PPA) with its customer specifies AETRH's obligations for installing, operating and maintaining metering equipment in accordance with *Good Engineering and Operating Practices* and the Metering Code. All energy data from these meters is captured within Alinta Energy's Honeywell Experion system.

Although AETRH has demonstrated that it has operated its meters and recorded related energy data to the satisfaction of its customer throughout the period subject to this audit:

1. AETRH has not fully complied with the requirements to:
 - Maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for maintenance and auditing purposes (*obligation 345*)
 - Maintain and administer a metering database containing the required standing data in accordance with Part 4 of the Metering Code (*obligations 366, 369 and 370*)
 - Develop an Energy Data Verification Request Form (*obligation 411*).
2. AETRH has not established a clear metering management plan or framework for demonstrating its:
 - Installation and maintenance of meters in accordance with an applicable metrology procedure, the specifications of the National Measurement Institute under the *National Measurements Act*, and the functionality and testing requirements outlined in Part 3 of the Metering Code (*obligations 319, 320, 326, 327, 331 to 333, 336, 337, 340 to 344, 434*)
 - Management of validated energy data (*obligation 422*)
 - Compliance with all applicable agreements, rules, procedures, criteria and processes outlined in Part 6 of the Metering Code (*obligation 447*).

We also note that AETRH has not complied with clause 6.2 of the Metering Code, which requires a network operator to submit a proposed model service level agreement, metrology procedure and mandatory link criteria to the Authority for its approval (clause 6.2 of the Metering Code is not referenced in the Reporting Manual and was not included in the audit plan). We acknowledge that there are no other users of AETRH's transmission and distribution network and no foreseeable prospect of a request to use the network.

The recommendation and action plan below applies to obligations 319, 320, 326, 327, 331 to 333, 336, 337, 345, 340 to 344, 366, 369, 370, 411, 422, 434 and 447.

Recommendation 2/2016

AETRH:

1. Establish a formal metering database, maintain drawings and supporting information and develop an Energy Data Verification Request Form to ensure its compliance with the requirements of the Metering Code.
2. Prepare a metering management plan (or similar) to:
 - c. Incorporate the requirements of the Metering Code relevant to AETRH's metering operations
 - d. Consolidate and expand on the obligations contained in the PPA.
3. Reach a position on its approach for addressing the technical requirements of clause 6.2 of the Metering Code.

Action Plan 2/2016

AETRH will:

1. Establish a formal metering database, maintain drawings and supporting information and develop an Energy Data Verification Request Form to ensure its compliance with the requirements of the Metering Code.
2. Prepare a metering management plan to incorporate the requirements of the Metering Code relevant to AETRH's metering operations.
3. Reach a position on its approach for addressing the technical requirements of clause 6.2 of the Metering Code.

Responsible Person: General Manager Pilbara O&M

Target Date: 31 December 2016

No.	Obligation under condition	Findings
Part 2 Code objectives and arms-length treatment		
317	A network operator must treat all Code participants that are its associates on an arms-length basis. <i>Metering Code clause 2.2(1)(a)</i>	<i>Obligations 317 and 318</i> During the period subject to audit, no other retailers, distributors, generators or users (collectively Code Participants) had access to AETRH's transmission and distribution network.
	Priority: 5 Controls rating: NP Compliance Rating: NR	
318	A network operator must ensure that no Code participant that is its associate receives a benefit in respect of the Code unless the benefit is attributable to an arm's length application of the Code or is also made available to all other Code participants on the same terms and conditions. <i>Metering Code clause 2.2(1)(b)</i>	
	Priority: 4 Controls rating: NP Compliance Rating: NR	
Part 3 Meters and metering installations		
319	A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and also comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act. <i>Metering Code clause 3.1</i>	<i>Obligations 319 and 320</i> Through discussion with the General Manager Pilbara O&M and walk through of AETRH's metering arrangements, we determined that: <ul style="list-style-type: none"> Although AETRH has demonstrated that it has maintained its meters to the satisfaction of its customer throughout the period subject to this audit, it has not established a clear metering management plan or framework for demonstrating its compliance with the specifications of the National Measurement Institute under the <i>National Measurements Act</i> AETRH categorises its meters as accumulation meters, however a metering registry has not been maintained to record details of that categorisation (refer to obligation 370) A metrology procedure has not been established for the transmission and distribution network. Accordingly, we are unable to assess AETRH's compliance with clauses 3.1 and 3.2 for the period subject to audit <i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i>
	Priority: 3 Controls rating: B Compliance Rating: NR	
320	An accumulation meter must at least conform to the requirements specified in the applicable metrology procedure and display, or permit access to a display of the measurements specified in subclauses 3.2(1)(a)(b) using dials, a cyclometer, an illuminated display panel or some other visual means. <i>Metering Code clause 3.2(1)</i>	
	Priority: 3 Controls rating: C Compliance Rating: NR	
321	An interval meter must at least have an interface to allow the interval energy data to be downloaded in the manner prescribed using an interface compatible with the requirements specified in the applicable metrology procedure. <i>Metering Code clause 3.3(1)</i>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that although AETRH's meters collect interval data, AETRH categorises its meters as accumulation meters rather than interval meters.
	Priority: 4 Controls rating: NP Compliance Rating: NR	

No.	Obligation under condition	Findings	
322	<p>If a metering installation is required to include a communications link, the link must (where necessary), include a modem and isolation device approved under the relevant telecommunications regulations, to allow the interval energy data to be downloaded in the manner prescribed.</p> <p><i>Metering Code clause 3.3(3)</i></p>	<p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that AETRH's meters operate within internal communications systems and are not required to comply with telecommunications regulations.</p> <p><i>Obligations 323 to 325</i></p> <p>AETRH's electricity supply arrangements provide only for electricity to be transferred out of the network at the point of connection to the Roy Hill mine site. Accordingly, no bi-directional electricity flows have occurred at AETRH's metering points during the period subject to audit.</p>	
Priority: 4	Controls rating: NP		Compliance Rating: NR
323	<p>A network operator must ensure that bidirectional electricity flows do not occur at a metering point unless the metering installation for the metering point is capable of separately measuring and recording electricity flows in each direction.</p> <p><i>Metering Code clause 3.3A(1)</i></p>		
Priority: 4	Controls rating: NP		Compliance Rating: NR
324	<p>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.</p> <p><i>Metering Code clause 3.3B</i></p>		
Priority: 4	Controls rating: NP	Compliance Rating: NR	
325	<p>An accumulation meter or an interval meter that separately measures and records bi-directional electricity flows at the metering point must record the net electricity production transferred into the network that exceeds electricity consumption and the net electricity consumption transferred out of the network that exceeds electricity production.</p> <p><i>Metering Code clause 3.3C</i></p>		
Priority: 4	Controls rating: NP	Compliance Rating: NR	

No.	Obligation under condition	Findings
326	<p>A network operator must ensure that there is a metering installation at every connection point on its network which is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.</p> <p><i>Metering Code clause 3.5(1) and (2)</i></p>	<p><i>Obligations 326 and 327</i></p> <p>Through discussion with the General Manager Pilbara O&M and walk through of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • AETRH maintains meters for the two relevant connection points within its network • AETRH's meters are designed to meet the functionality requirements for type 1 meters • Although AETRH has demonstrated that it has installed and maintained its meters to the satisfaction of its customer throughout the period subject to this audit, it has not established a clear metering management plan or framework for demonstrating its compliance with all requirements outlined in Part 3 of the Metering Code. Accordingly, we are unable to assess AETRH's compliance with clause 3.5 for the period subject to audit. <p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	<p>Priority: 3 Controls rating: B Compliance Rating: NR</p>	
327	<p>A network operator must, unless otherwise agreed, for each metering installation on its network, on and from the time of its connection to the network, provide, install, operate and, subject to subclause 3.7(5), maintain the metering installation in the manner prescribed.</p> <p><i>Metering Code clause 3.5(3)</i></p>	<p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	<p>Priority: 3 Controls rating: B Compliance Rating: NR</p>	
328	<p>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.</p> <p><i>Metering Code clause 3.5(4)</i></p>	<p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that AETRH's meters are located as close as practicable to the connection points within its network, being at the Roy Hill mine site switchyard.</p>
	<p>Priority: 4 Controls rating: NP Compliance Rating: 1</p>	
329	<p>A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.</p> <p><i>Metering Code clause 3.5(6)</i></p>	<p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • AETRH's PPA with its customer does not provide for AETRH to impose a charge for providing, installing, operating or maintaining its meters • AETRH has not imposed such a charge during the period subject to audit.
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	
330	<p>If a network operator becomes aware that a metering installation does not comply with the Code, the network operator must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.</p> <p><i>Metering Code clause 3.5(9)</i></p>	<p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that AETRH has not identified any of its meters to be non-compliant with the Metering Code.</p>
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	

No.	Obligation under condition	Findings
331	<p>All devices that may be connected to a telecommunications network must be compatible with the telecommunications network and comply with all applicable State and Commonwealth enactments.</p> <p><i>Metering Code clause 3.7</i></p>	<p>Through discussion with the General Manager Pilbara O&M and walk through of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> AETRH's meters are currently not supported by equipment which is connected to a telecommunications network However, in the event of such equipment being installed, AETRH has not established a clear metering management plan or framework for ensuring its compliance with the Metering Code and applicable State and Commonwealth enactments. <p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	<p>Priority: 3</p> <p>Controls rating: B</p> <p>Compliance Rating: NR</p>	
332	<p>Subject to clause 3.27, a network operator must, for each metering installation on its network, ensure that the metering installation is secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorized access and enable unauthorized access to be detected.</p> <p><i>Metering Code clause 3.8</i></p>	<p><i>Obligations 331, 332 and 333</i></p> <p>Through discussion with the General Manager Pilbara O&M and walk through of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> AETRH's meters have been secured through physical and logical means to prevent and/or detect unauthorised access AETRH's meters are designed to meet the accuracy requirements for type 1 meters Although AETRH has demonstrated that it has installed and maintained its meters to the satisfaction of its customer throughout the period subject to this audit, it has not established a clear metering management plan or framework for demonstrating its compliance with all requirements outlined in Part 3 of the Metering Code. <p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	<p>Priority: 3</p> <p>Controls rating: B</p> <p>Compliance Rating: 1</p>	
333	<p>Subject to subclauses 3.9(4), 3.9(5) and 3.9(7), each metering installation must meet at least the requirements for that type of metering installation specified in Table 3 in Appendix 1 of the Code.</p> <p><i>Metering Code clause 3.9(3)</i></p>	<p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	<p>Priority: 3</p> <p>Controls rating: B</p> <p>Compliance Rating: 1</p>	
334	<p>For a metering installation used to supply a customer with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, the metering installation must meet the relevant accuracy requirements of Type 3 metering installation for active energy only.</p> <p><i>Metering Code clause 3.9(7)</i></p>	<p>During the period subject to audit, AETRH did not have any customers with annual consumption below 750MWh.</p> <p>Accordingly, AETRH had no obligations under clause 3.9(7) of the Metering Code for the period subject to audit.</p>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
335	<p>If compensation is carried out within the meter then the resultant metering system error must be as close as practicable to zero.</p> <p><i>Metering Code clause 3.9(9)</i></p>	<p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that no such compensation has been carried out within AETRH's meters during the period subject to audit.</p>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	

No.	Obligation under condition	Findings
336	<p>A network operator must ensure that any programmable settings within any of its metering installations, data loggers or peripheral devices, that may affect the resolution of displayed or stored data, meet the relevant requirements specified in the applicable metrology procedure and comply with any applicable specifications or guidelines specified by the National Measurement Institute under the National Measurement Act.</p> <p><i>Metering Code clause 3.10</i></p>	<p>Through discussion with the General Manager Pilbara O&M and walk through of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • AETRH's meters are designed to meet the specifications of the National Measurement Institute under the <i>National Measurement Act</i> • A metrology procedure has not been established for AETRH's transmission and distribution network • Although AETRH has demonstrated that it has installed and maintained its meters to the satisfaction of its customer throughout the period subject to this audit, it has not established a clear metering management plan or framework for demonstrating its compliance with the specifications of the National Measurement Institute under the <i>National Measurements Act</i>.
	<p>Priority: 3</p> <p>Controls rating: B</p> <p>Compliance Rating: 1</p>	<p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
337	<p>A network operator must ensure that a metering installation on its network is operating consistently with good electricity industry practice to measure and record data, and to permit collection of data within the time specified in the applicable service level agreement, for at least the percentages of the year specified.</p> <p><i>Metering Code clause 3.11(1)</i></p>	<p>Through discussion with the General Manager Pilbara O&M and walk through of AETRH's metering arrangements, we determined that although AETRH has demonstrated that it has maintained and operated its meters to the satisfaction of its customer throughout the period subject to this audit, it has not established a clear metering management plan or framework for demonstrating its compliance with all requirements outlined in Part 3 of the Metering Code. Accordingly, we are unable to assess AETRH's compliance with clause 3.11 for the period subject to audit.</p>
	<p>Priority: 3</p> <p>Controls rating: B</p> <p>Compliance Rating: NR</p>	<p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
338	<p>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.</p> <p><i>Metering Code clause 3.11(2)</i></p>	<p>The General Manager Pilbara O&M confirmed that AETRH had not made repairs to its meters during the period subject to audit.</p>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
339	<p>A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.</p> <p><i>Metering Code clause 3.11(3)</i></p>	<p>AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a Code participant in relation to another network and this obligation is not relevant to this audit.</p>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	

No.	Obligation under condition	Findings
340	A network operator must ensure that the meters on its network are systematically sampled and tested for accuracy in accordance with AS 1284.13. <i>Metering Code clause 3.11A(1)</i>	<p><i>Obligations 340 to 344</i></p> <p>Through discussion with the General Manager Pilbara O&M and walk through of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • During the period subject to audit, none of AETRH's meters were tested for accuracy or deemed to have failed under AS 1284.13. AS 1284.13 does not explicitly prescribe a testing frequency that would have required AETRH's meters to have been tested since their installation in March 2015. Accordingly, we are unable to assess AETRH's compliance with clause 3.11A for the period subject to audit • Isolation facilities are provided to facilitate testing and calibration of the meters • Although AETRH has demonstrated that it has installed, maintained and operated its meters to the satisfaction of its customer throughout the period subject to this audit, it has not established a clear metering management plan or framework for demonstrating its compliance with the Metering Code and specifications of the National Measurement Institute under the <i>National Measurements Act</i> • A metrology procedure has not been established for the transmission and distribution network. <p>Accordingly, we are unable to assess AETRH's compliance with clause 3.12(1) and (2) for the period subject to audit.</p> <p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	Priority: 3 Controls rating: B Compliance Rating: NR	
341	Subject to clause 3.11A(3), if a "population" of meters is deemed to have failed under AS 1284.13, the network operator must ensure that all the meters that make up the population are removed and replaced with new meters within 3 years of the testing of the population. <i>Metering Code clause 3.11A(2)</i>	
	Priority: 4 Controls rating: B Compliance Rating: NR	
342	A network operator must ensure that each metering installation complies with, at least, the prescribed design requirements. <i>Metering Code clause 3.12(1)</i>	
	Priority: 3 Controls rating: B Compliance Rating: NR	
343	A network operator must ensure that instrument transformers in its metering installations comply with the relevant requirements of any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act and any requirements specified in the applicable metrology procedure. <i>Metering Code clause 3.12(2)</i>	
	Priority: 3 Controls rating: B Compliance Rating: NR	
344	A network operator must provide isolation facilities, to the standard of good electricity industry practice, to facilitate testing and calibration of the metering installation. <i>Metering Code clause 3.12(3)</i>	
	Priority: 3 Controls rating: B Compliance Rating: 1	
345	A network operator must maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for maintenance and auditing purposes. <i>Metering Code clause 3.12(4)</i>	<p>AETRH has not maintained sufficient drawings and supporting information, detailing the metering installation for auditing purposes.</p> <p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	Priority: 3 Controls rating: C Compliance Rating: 2	

No.	Obligation under condition	Findings
346	A network operator must procure the user or the user's customer to install (or arrange for the installation of) a full check metering installation or partial check metering installation in accordance with the prescribed requirements. <i>Metering Code clause 3.13(1)</i>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that AETRH uses parallel check meters for each of its metering installations, which are Type 1 metering installations.
	Priority: 4	
347	A partial check metering installation must be physically arranged in a manner determined by the network operator, acting in accordance with good electricity industry practice. <i>Metering Code clause 3.13(3)(c)</i>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that AETRH does not use partial check meters.
	Priority: 4	
348	A check metering installation for a metering point must comply with the prescribed requirements. <i>Metering Code clause 3.13(4)</i>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that AETRH's parallel check meters measure the same load conditions and have the same error level as the relevant revenue meters and are not used for any other purpose, in accordance with the requirements of clause 3.13(4)(b) of the Metering Code.
	Priority: 4	
349	If, under clause 3.14(2), a metering installation uses metering class CTs and VTs that do not comply with the Table 3 in Appendix 1, then the network operator must either or both install meters of a higher class accuracy and apply accuracy calibration factors within the meter to compensate for CT and VT errors, in order to achieve the accuracy requirements in Table 3 in Appendix 1. <i>Metering Code clause 3.14(3)</i>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that at the time of commissioning, AETRH's metering installations were designed in compliance with the accuracy requirements of the Metering Code. Accordingly, clause 3.14(3) is not relevant to AETRH's circumstances.
	Priority: 4	
355	A network operator must, if reasonably requested by a Code participant, provide enhanced technology features in a metering installation. <i>Metering Code clause 3.20(1)</i>	The General Manager Pilbara O&M confirmed that AETRH has not been requested by a Code participant to provide enhanced technology features in a metering installation.
	Priority: 4	
356	A network operator may only impose a charge for the provision of metering installations with enhanced technology features in accordance with the applicable service level agreement between it and the user. <i>Metering Code clause 3.20(3)</i>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that: <ul style="list-style-type: none"> AETRH's PPA with its customer does not provide for AETRH to impose a charge for providing, installing, operating or maintaining its meters AETRH has not imposed such a charge during the period subject to audit.
	Priority: 4	

No.	Obligation under condition	Findings
357	Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month. <i>Metering Code clause 3.21(1)</i>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that: <ul style="list-style-type: none"> • AETRH's meters contain an internal real time clock • Although AETRH's operation and maintenance of its meters is designed to maintain the prescribed time accuracy of their internal real time clock in accordance with its obligations under its customer PPA, AETRH has not established a clear metering management plan or framework for demonstrating its compliance with the Metering Code.
	Priority: 4	Controls rating: B
		Compliance Rating: 1
358	If a metering installation includes measurement elements and an internal data logger at the same site, it must include facilities on site for storing the interval energy data for the periods prescribed. <i>Metering Code clause 3.21(2)</i>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that AETRH's on-site facilities and systems appropriately provide for interval energy data to be stored.
	Priority: 4	Controls rating: NP
		Compliance Rating: 1
359	A network operator providing one or more metering installations with enhanced technology features must be licensed to use and access the metering software applicable to all devices being installed and be able to program the devices and set parameters. <i>Metering Code clause 3.22</i>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that during the period subject to audit AETRH held the required licence for using and accessing the metering software associated with its meters.
	Priority: 4	Controls rating: NP
		Compliance Rating: 1
360	Where signals are provided from the meter for the user or the user's customer use, a network operator must ensure that signals are isolated by relays or electronic buffers to prevent accidental or malicious damage to the meter. <i>Metering Code clause 3.23(a)</i>	<i>Obligations 360 and 361</i> Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that during the period subject to audit, AETRH did not provide signals from the meter for a user's purposes.
	Priority: 4	Controls rating: NP
		Compliance Rating: NR
361	Where signals are provided from the meter for the user or the user's customer use, a network operator must provide the user or the user's customer with sufficient details of the signal specification to enable compliance with clause 3.23(c) of the Code. <i>Metering Code clause 3.23(b)</i>	
	Priority: 4	Controls rating: NP
		Compliance Rating: NR

No.	Obligation under condition	Findings
364	<p>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.</p> <p><i>Metering Code clause 3.27</i></p>	The General Manager Pilbara O&M confirmed that the meters installed on AETRH's transmission network at the time of the network's construction were installed by AETRH, as the network operator.
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
365	<p>A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list.</p> <p><i>Metering Code clause 3.29</i></p>	As AETRH has not installed any new meters since the time of the network's construction, there was no requirement to register a metering installation provider or publish an associated list.
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
Part 4 The metering database		
366	<p>A network operator must establish, maintain and administer a metering database containing, for each metering point on its network, standing data and energy data.</p> <p><i>Metering Code clause 4.1(1)</i></p>	<p>AETRH has not maintained and administered a metering database containing the required standing data in accordance with Part 4 of the Metering Code.</p> <p>We observed that energy data from each of AETRH's meters is captured within AETRH's Honeywell Experion system.</p> <p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	<p>Priority: 3</p> <p>Controls rating: C</p> <p>Compliance Rating: 2</p>	
367	<p>A network operator must ensure that its metering database and associated links, circuits, information storage and processing systems are secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorized access and enable unauthorized access to be detected.</p> <p><i>Metering Code clause 4.1(2)</i></p>	Through discussion with the General Manager Pilbara O&M and Ellipse Team Leader, consideration of AETRH's metering arrangements and examination of Alinta Energy's IT Security Policy and password policy system parameters, we determined that AETRH's Honeywell Experion system is appropriately secured through physical and logical means to prevent and/or detect unauthorised access.
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
368	<p>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.</p> <p><i>Metering Code clause 4.1(3)</i></p>	Through discussion with the General Manager Pilbara O&M and Ellipse Team Leader; and examination of Alinta Energy's System back-up protocol, we determined that AETRH has established appropriate capabilities to restore the Honeywell Experion system within two business days to ensure energy data will continue to be captured.
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	

No.	Obligation under condition	Findings
369	A network operator must ensure that its registry complies with the Code and the prescribed clause of the market rules. <i>Metering Code clause 4.2(1)</i>	<p><i>Obligations 369 and 370</i></p> <p>We observed that AETR had maintained many of the components of the information required by clause 4.3 of the Metering Code, however:</p> <ul style="list-style-type: none"> • That information is not held in a central registry • AETR has not maintained and administered a metering database containing all of the required registry and standing data in accordance with Part 4 of the Metering Code. <p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	Priority: 3 Controls rating: C Compliance Rating: 2	
370	The standing data for a metering point must comprise at least the items specified. <i>Metering Code clause 4.3(1)</i>	<p><i>Obligations 371 to 373</i></p> <p>AETR has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a Code participant in relation to another network and this obligation is not relevant to this audit.</p>
	Priority: 3 Controls rating: C Compliance Rating: 2	
371	If there is a discrepancy between energy data held in a metering installation and data held in the metering database, the affected Code participants and the network operator must liaise together to determine the most appropriate way to resolve a discrepancy. <i>Metering Code clause 4.4(1)</i>	<p><i>Obligations 371 to 373</i></p> <p>AETR has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a Code participant in relation to another network and this obligation is not relevant to this audit.</p>
	Priority: 5 Controls rating: NP Compliance Rating: NR	
372	A Code participant must not knowingly permit the registry to be materially inaccurate. <i>Metering Code clause 4.5(1)</i>	<p><i>Obligations 371 to 373</i></p> <p>AETR has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a Code participant in relation to another network and this obligation is not relevant to this audit.</p>
	Priority: 5 Controls rating: NP Compliance Rating: NR	
373	Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or an inaccuracy in, an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed. <i>Metering Code clause 4.5(2)</i>	<p><i>Obligations 371 to 373</i></p> <p>AETR has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a Code participant in relation to another network and this obligation is not relevant to this audit.</p>
	Priority: 4 Controls rating: NP Compliance Rating: NR	

No.	Obligation under condition	Findings			
374	<p>If the network operator is notified of a change to, or inaccuracy in, an item of standing data by a Code participant which is the designated source for the item of standing data under Table 2 in clause 4.3(1), then the network operator must update the registry to reflect the change to, or correct the inaccuracy in, the standing data.</p> <p><i>Metering Code clause 4.6(1)</i></p> <table border="1" data-bbox="248 405 1070 453"> <tr> <td data-bbox="248 405 506 453">Priority: 4</td> <td data-bbox="512 405 770 453">Controls rating: NP</td> <td data-bbox="777 405 1070 453">Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	<p><i>Obligations 374 to 376</i></p> <p>During the period subject to audit, AETRH did not maintain a metering registry and there was no opportunity for a Code participant to have visibility of items of standing data recorded by AETRH.</p>
Priority: 4	Controls rating: NP	Compliance Rating: NR			
375	<p>If a network operator is notified of a change to or inaccuracy in an item of standing data by a Code participant which is not the designated source for the item of standing data, or otherwise becomes aware of a change to or inaccuracy in an item of standing data, then the network operator must undertake investigations to the standard of good electricity industry practice to determine whether the registry should be updated, and update the registry as required.</p> <p><i>Metering Code clause 4.6(2)</i></p> <table border="1" data-bbox="248 699 1070 746"> <tr> <td data-bbox="248 699 506 746">Priority: 4</td> <td data-bbox="512 699 770 746">Controls rating: NP</td> <td data-bbox="777 699 1070 746">Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
376	<p>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.</p> <p><i>Metering Code clause 4.7</i></p> <table border="1" data-bbox="248 932 1070 979"> <tr> <td data-bbox="248 932 506 979">Priority: 4</td> <td data-bbox="512 932 770 979">Controls rating: NP</td> <td data-bbox="777 932 1070 979">Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
377	<p>A network operator must allow a user who is a retailer or a generator to have local and (where a suitable communications link is installed) remote access to the energy data for metering points at its associated connection points, using a password provided by the network operator which provides 'read only' access.</p> <p><i>Metering Code clause 4.8(3)</i></p> <table border="1" data-bbox="248 1165 1070 1212"> <tr> <td data-bbox="248 1165 506 1212">Priority: 4</td> <td data-bbox="512 1165 770 1212">Controls rating: NP</td> <td data-bbox="777 1165 1070 1212">Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	<p><i>Obligations 377 and 378</i></p> <p>During the period subject to audit, no other retailers or generators had access to AETRH's transmission and distribution network.</p>
Priority: 4	Controls rating: NP	Compliance Rating: NR			
378	<p>A network operator must allow a user who is a retailer or a generator to have access to data held in its metering database for metering points at its associated connection points, by means of a website (or otherwise by remote access to a "data storage device" as that expression is defined in the Electronic Transactions Act 2003), using a password provided by the network operator which provides 'read only' access.</p> <p><i>Metering Code clause 4.8(3A)</i></p> <table border="1" data-bbox="248 1426 1070 1474"> <tr> <td data-bbox="248 1426 506 1474">Priority: 4</td> <td data-bbox="512 1426 770 1474">Controls rating: NP</td> <td data-bbox="777 1426 1070 1474">Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			

No.	Obligation under condition	Findings	
379	A network operator must have devices and methods in place that ensure that energy data held in its metering installation is secured from unauthorised local or remote access using the methods prescribed. <i>Metering Code clause 4.8(4)(a)</i>	<p><i>Obligations 379 to 381</i></p> <p>Through discussion with the General Manager Pilbara O&M and Ellipse Team Leader, consideration of AETRH's metering arrangements and examination of Alinta Energy's IT Security Policy and password policy system parameters, we determined that AETRH has appropriate methods in place to ensure that relevant data held in its meters and Honeywell Experion system and is appropriately secured through physical and logical means to prevent and/or detect unauthorised access.</p>	
	Priority: 4		Controls rating: NP
380	A network operator must have devices and methods in place that ensure and ensure that the data held in its metering database is secured from unauthorised local or remote access using the methods prescribed. <i>Metering Code clause 4.8(4)(b)</i>		
	Priority: 4		Controls rating: NP
381	Without limiting subclause 4.8(4), a network operator must ensure that electronic passwords and other electronic security controls are only issued to the specified authorised personnel and otherwise keep its records of electronic passwords and other electronic security controls secure from unauthorised access. <i>Metering Code clause 4.8(5)</i>		
	Priority: 4	Controls rating: NP	Compliance Rating: 1
382	A network operator must retain energy data in its metering database for each metering point on its network (including any energy data that has been replaced under subclause 5.24) for at least the periods, and with the level of accessibility, prescribed. <i>Metering Code clause 4.9</i>	<p>Through discussion with the General Manager Pilbara O&M and Ellipse Team Leader; and consideration of AETRH's metering arrangements, we determined that AETRH's Honeywell Experion system is designed to ensure that relevant energy data is retained in a readily accessible format for at least 13 months and once archived, indefinitely (i.e. in excess of five years and 11 months) in a format that is accessible within a reasonable period of time.</p>	
	Priority: 4		Controls rating: NP

No.	Obligation under condition	Findings
Part 5 Metering services		
383	<p>A network operator must use all reasonable endeavours to accommodate another Code participant's requirement to obtain a metering service and requirements in connection with the negotiation of a service level agreement.</p> <p><i>Metering Code clause 5.1 (1)</i></p>	<p><i>Obligations 383 and 384</i></p> <p>During the period subject to audit, no other retailers, distributors, generators or users (collectively Code Participants) had access to AETRH's transmission and distribution network, or an opportunity to obtain a metering service. Therefore clause 5.1 of the Metering Code did not apply to AETRH's circumstances during the period subject to audit.</p>
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
384	<p>Without limiting subclause 5.1(1), a network operator must expeditiously and diligently process all requests for a service level agreement and negotiate its terms in good faith and, to the extent reasonably practicable in accordance with good electricity industry practice, permit a Code participant to acquire a metering service containing only those elements of the metering service which the Code participant wishes to acquire.</p> <p><i>Metering Code clause 5.1(2)</i></p>	
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
385	<p>A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database 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).</p> <p><i>Metering Code clause 5.3</i></p>	<p><i>Obligations 385 to 387</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Energy data collected from meters is immediately transferred to AETRH's Honeywell Experion system • Actual meter readings are undertaken on a continuous basis and in 30 minute intervals • AETRH's use of check meters accommodates the required energy data validation processes • Meter readings are only performed by appointed AETRH personnel.
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
386	<p>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.</p> <p><i>Metering Code clause 5.4(1)</i></p>	
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
387	<p>The meter reading referred to in clause 5.4(1) must not be undertaken by the customer associated with the meter, and must be undertaken by a person who is employed or appointed by the network operator and who is suitably skilled in accordance with good electricity industry practice to carry out meter readings.</p> <p><i>Metering Code clause 5.4(1A)</i></p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	

No.	Obligation under condition	Findings	
388	<p>A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under subclause 5.4(1).</p> <p><i>Metering Code clause 5.4(2)</i></p>	<p>AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a user in relation to another network and this obligation is not relevant to this audit.</p>	
	<p>Priority: 5</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
389	<p>Subject to subclause 5.5(2A)(b), a network operator may impose a charge for the provision of data but only if a user has requested the energy data to the extent permitted by, and in accordance with the applicable service level agreement between it and the user, and if a customer has given a direction under subclause 5.17A(1), in accordance with the prescribed conditions.</p> <p><i>Metering Code clause 5.5(2)</i></p>	<p><i>Obligations 389 and 390</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • AETRH's PPA with its customer does not provide for AETRH to impose a charge for providing energy data or standing data on request • AETRH has not imposed such a charge during the period subject to audit. 	
	<p>Priority: 5</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
390	<p>A network operator must not impose a charge for the provision of standing data and for the provision of energy data if another enactment prohibits it doing so.</p> <p><i>Metering Code clause 5.5(2A)</i></p>		
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
391	<p>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).</p> <p><i>Metering Code clause 5.6(1)</i></p>	<p><i>Obligations 391 and 392</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Energy data, including validated, substituted or estimated data is provided to AETRH's customer in accordance with the PPA • As AETRH's network is not part of the wholesale electricity market, AETRH is not required to provide data to the IMO • During the period subject to audit, no other users had access to AETRH's transmission and distribution network. 	
	<p>Priority: 5</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
392	<p>If a replacement energy data value is inserted in a metering database for a metering point, the network operator must provide replacement energy data to the user for the metering point and the IMO within the timeframes prescribed.</p> <p><i>Metering Code clause 5.7</i></p>		
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>

No.	Obligation under condition	Findings					
393	A network operator must provide a user with whatever information the network operator has that is necessary to enable the user to comply with its obligations under the Code of Conduct, within the time necessary for the user to comply with the obligations. <i>Metering Code clause 5.8</i>	<p><i>Obligations 393, 394, 397 to 400</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> Any related metering information (including dates for the purpose of invoicing) is required to be provided to AETRH's customer in accordance with the PPA During the period subject to audit, no other users had access to AETRH's transmission and distribution network No requests for energy data, standing data or bulk standing data have been received by AETRH during the period subject to audit As AETRH's network is not part of the wholesale electricity market, AETRH is not required to provide data to the IMO. 					
	Priority: 4			Controls rating: NP	Compliance Rating: NR		
394	A network operator must provide standing data, provided to or obtained by it under this Code, to users where required to do so under any enactment. <i>Metering Code clause 5.9</i>			<p><i>Obligations 393, 394, 397 to 400</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> Any related metering information (including dates for the purpose of invoicing) is required to be provided to AETRH's customer in accordance with the PPA During the period subject to audit, no other users had access to AETRH's transmission and distribution network No requests for energy data, standing data or bulk standing data have been received by AETRH during the period subject to audit As AETRH's network is not part of the wholesale electricity market, AETRH is not required to provide data to the IMO. 			
	Priority: 4					Controls rating: NP	Compliance Rating: NR
397	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 a network operator must provide a user with a complete set of energy data for the a metering point within the timeframes prescribed. <i>Metering Code clause 5.12(1)</i>					<p><i>Obligations 393, 394, 397 to 400</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> Any related metering information (including dates for the purpose of invoicing) is required to be provided to AETRH's customer in accordance with the PPA During the period subject to audit, no other users had access to AETRH's transmission and distribution network No requests for energy data, standing data or bulk standing data have been received by AETRH during the period subject to audit As AETRH's network is not part of the wholesale electricity market, AETRH is not required to provide data to the IMO. 	
	Priority: 4						
398	If the current user for a metering point gives the network operator a standing data request for the metering point in accordance with the communication rules then the network operator must provide the current user with a complete current set of standing data for a metering point and advise whether there is a communications link for the metering point, within the timeframes prescribed. <i>Metering Code clause 5.13</i>	<p><i>Obligations 393, 394, 397 to 400</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> Any related metering information (including dates for the purpose of invoicing) is required to be provided to AETRH's customer in accordance with the PPA During the period subject to audit, no other users had access to AETRH's transmission and distribution network No requests for energy data, standing data or bulk standing data have been received by AETRH during the period subject to audit As AETRH's network is not part of the wholesale electricity market, AETRH is not required to provide data to the IMO. 					
	Priority: 4						
399	If a user makes a bulk standing data request, the network operator must in accordance with the communication rules, acknowledge receipt of the request and provide the requested standing data within the timeframes prescribed. <i>Metering Code clause 5.14(3)</i>			<p><i>Obligations 393, 394, 397 to 400</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> Any related metering information (including dates for the purpose of invoicing) is required to be provided to AETRH's customer in accordance with the PPA During the period subject to audit, no other users had access to AETRH's transmission and distribution network No requests for energy data, standing data or bulk standing data have been received by AETRH during the period subject to audit As AETRH's network is not part of the wholesale electricity market, AETRH is not required to provide data to the IMO. 			
	Priority: 4						
400	If a network operator provides energy data to a user or the IMO it must also provide the date of the meter reading in accordance with the requirements specified. <i>Metering Code clause 5.15</i>					<p><i>Obligations 393, 394, 397 to 400</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> Any related metering information (including dates for the purpose of invoicing) is required to be provided to AETRH's customer in accordance with the PPA During the period subject to audit, no other users had access to AETRH's transmission and distribution network No requests for energy data, standing data or bulk standing data have been received by AETRH during the period subject to audit As AETRH's network is not part of the wholesale electricity market, AETRH is not required to provide data to the IMO. 	
	Priority: 4						

No.	Obligation under condition	Findings
401	<p>If a user collects or receives energy data from a metering installation then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.</p> <p><i>Metering Code clause 5.16</i></p>	AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a user in relation to another network and this obligation is not relevant to this audit.
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	
402	<p>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.</p> <p><i>Metering Code clause 5.17(1)</i></p>	Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that standing data and validated energy data is provided to AETRH's customer in accordance with the PPA, for the purpose of invoicing.
	<p>Priority: 4 Controls rating: NP Compliance Rating: 1</p>	
403	<p>A network operator must provide data for a metering point from its metering database to a person if (and to the extent that) the customer associated with the metering point gives the network operator a direction to do so that complies with subclause 5.17A(2).</p> <p><i>Metering Code clause 5.17A(1)</i></p>	<p><i>Obligations 403 and 404</i></p> <p>The General Manager Pilbara O&M confirmed that during the period subject to audit, AETRH did not receive any direction from its customer to provide data for a metering point from its metering database.</p>
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	
404	<p>A network operator must comply with a direction under subclause 5.17A(1) within the timeframes prescribed.</p> <p><i>Metering Code clause 5.17A(3)</i></p>	
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	
405	<p>If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.</p> <p><i>Metering Code clause 5.18</i></p>	AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a user in relation to another network and this obligation is not relevant to this audit.
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	

No.	Obligation under condition	Findings	
406	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere, and provide that information to the network operator. <i>Metering Code clause 5.19(1)</i>	<p><i>Obligations 406 to 408</i></p> <p>AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a user in relation to another network and this obligation is not relevant to this audit.</p>	
	Priority: 5		Controls rating: NP
407	A user must, to the extent that it is able, collect and maintain a record of the prescribed information in relation to the site of each connection point with which the user is associated. <i>Metering Code clause 5.19(2)</i>		
	Priority: 5		Controls rating: NP
408	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. <i>Metering Code clause 5.19(3)</i>		
	Priority: 4	Controls rating: NP	Compliance Rating: NR
409	A network operator must give notice to a user, or (if there is a different current user) the current user, acknowledging receipt of any customer, site or address attributes from the user within the timeframes prescribed. <i>Metering Code clause 5.19(5)</i>	<p>In relation to AETRH's transmission and distribution network, during the period subject to audit:</p> <ul style="list-style-type: none"> • AETRH operated as both the network operator and retailer • No other users had access to AETRH's network. <p>Accordingly, AETRH had no obligations under clause 5.19(5) of the Metering Code for the period subject to audit.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
410	The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user. <i>Metering Code clause 5.19(6)</i>	<p>AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a user in relation to another network and this obligation is not relevant to this audit.</p>	
	Priority: 5		Controls rating: NP
411	A network operator must, by not later than 6 months after the date this Code applies to the network operator, develop, in accordance with the communication rules, an Energy Data Verification Request Form. <i>Metering Code clause 5.20(1)</i>	<p>AETRH has not developed an Energy Data Verification Request Form. We also note that communication rules have not been established in relation to AETRH's transmission and distribution network.</p> <p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>	
	Priority: 3		Controls rating: C

No.	Obligation under condition	Findings
412	An Energy Data Verification Request Form must require a Code participant to provide the information prescribed. <i>Metering Code clause 5.20(2)</i>	AETRH has not developed an Energy Data Verification Request Form. We note that the General Manager Pilbara O&M confirmed that during the period subject to audit, AETRH did not receive any request for verification of energy data.
	Priority: 4 Controls rating: NP Compliance Rating: NR	
413	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. <i>Metering Code clause 5.20(4)</i>	The General Manager Pilbara O&M confirmed that during the period subject to audit, AETRH did not receive any request for verification of energy data.
	Priority: 4 Controls rating: NP Compliance Rating: NR	
414	A network operator must comply with any reasonable request under subclause 5.21(1) <i>Metering Code clause 5.21(2)</i>	<i>Obligations 414 and 415</i> The General Manager Pilbara O&M confirmed that during the period subject to audit, AETRH did not receive any request for a test or audit of the accuracy of a metering installation, the energy data from the metering installation and/or the standing data from the metering installation.
	Priority: 4 Controls rating: NP Compliance Rating: NR	
415	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. <i>Metering Code clause 5.21(4)</i>	
	Priority: 4 Controls rating: NP Compliance Rating: NR	
416	A Code participant must not request a test or audit under subclause 5.21(1) unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO. <i>Metering Code clause 5.21(5)</i>	<i>Obligations 416 and 417</i> AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a user in relation to another network and this obligation is not relevant to this audit.
	Priority: 4 Controls rating: NP Compliance Rating: NR	
417	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement. <i>Metering Code clause 5.21(6)</i>	
	Priority: 4 Controls rating: NP Compliance Rating: NR	

No.	Obligation under condition	Findings
418	<p>A network operator may only impose a charge for the testing of the metering installations, or auditing of information from the meters associated with the metering installations, or both, in accordance with the applicable service level agreement between it and the user.</p> <p><i>Metering Code clause 5.21(8)</i></p>	<p><i>Obligations 418 to 421</i></p> <p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> AETRH's PPA with its customer does not provide for AETRH to impose a charge for undertaking a test of metering installations and/or or auditing of information from the meters associated with the metering installations AETRH has not imposed such a charge during the period subject to audit. <p>The General Manager Pilbara O&M confirmed that during the period subject to audit, AETRH did not receive any request for a test or audit of the accuracy of a metering installation, the energy data from the metering installation and/or the standing data from the metering installation.</p>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
419	<p>Any written service level agreement entered into under subclause 5.21(7), must include a provision that no charge is to be imposed if the test or audit reveals a non-compliance with this Code.</p> <p><i>Metering Code clause 5.21(9)</i></p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
420	<p>If a test or audit shows that the accuracy of the metering installation or information from the meter associated with the metering installation does not comply with the requirements under this Code, the network operator must advise the affected parties as soon as practicable of errors detected under a test or audit, the possible duration of the errors, and must restore the accuracy of the metering installation in accordance with the applicable service level agreement.</p> <p><i>Metering Code clause 5.21(11)</i></p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
421	<p>The original stored error correction data in a meter must not be altered except during accuracy testing and calibration of a metering installation.</p> <p><i>Metering Code clause 5.21(12)</i></p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
422	<p>A network operator must validate energy data in accordance with this Code applying, as a minimum, the prescribed rules and procedures set out in Appendix 2 and must, where necessary, substitute and estimate energy data under this Code applying, as a minimum, the prescribed rules and procedures set out in Appendix 3.</p> <p><i>Metering Code clause 5.22(1)</i></p>	<p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> AETRH uses parallel check meters for each of its metering installations, which are Type 1 metering installations Although AETRH applies energy data validation process in accordance with its obligations under its customer PPA, AETRH has not established a clear metering management plan or framework for demonstrating its compliance with the prescribed rules and procedures set out in Appendix 3 of the Metering Code. <p><i>Refer to summary findings, recommendation and action plan at Issue 2/2016 above.</i></p>
	<p>Priority: 4</p> <p>Controls rating: B</p> <p>Compliance Rating: 1</p>	

No.	Obligation under condition	Findings
423	<p>The network operator must use check metering data, where available, to validate energy data provided that the check metering data has been appropriately adjusted for differences in metering installation accuracy in accordance with subclause 3.13.</p> <p><i>Metering Code clause 5.22(2)</i></p>	<p>Through discussion with the General Manager Pilbara O&M and consideration of AETRH's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> AETRH uses parallel check meters for each of its metering installations, which are Type 1 metering installations AETRH's parallel check metering arrangements meet the requirements of clause 3.13(4)(b) of the Metering Code.
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
424	<p>If a check meter is not available or energy data cannot be recovered from the metering installation within the time required under this Code, then the network operator must prepare substitute values using a method contained in Appendix 3 and agreed where necessary with the relevant Code participants.</p> <p><i>Metering Code clause 5.22(3)</i></p>	<p>The General Manager Pilbara O&M confirmed that during the period subject to audit, there were no instances in which substitute values were required to be prepared due to a check meter not being available or energy data not being recoverable from a metering installation within the time required.</p>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
425	<p>If a network operator detects a loss of energy data or incorrect energy data from a metering installation, it must notify each affected Code participant of the loss or error within 24 hours after detection.</p> <p><i>Metering Code clause 5.22(4)</i></p>	<p>The General Manager Pilbara O&M confirmed that during the period subject to audit, there were no instances in which it detected a loss of energy data or incorrect energy data from a metering installation.</p>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
426	<p>Substitution or estimation of energy data is required when energy data is missing, unavailable or corrupted, including in the circumstances described in this subclause.</p> <p><i>Metering Code clause 5.22(5)</i></p>	<p><i>Obligations 426 to 429</i></p> <p>The General Manager Pilbara O&M confirmed that during the period subject to audit, there were no instances in which substitution or estimation of energy data was required due to energy data being missing, unavailable or corrupted.</p>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
427	<p>A network operator must review all validation failures before undertaking any substitution.</p> <p><i>Metering Code clause 5.22(6)</i></p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	
428	<p>If a network operator determines that there is no possibility of determining an actual value for a metering point, then the network operator must designate an estimated or substituted value for the metering point to be a deemed actual value for the metering point.</p> <p><i>Metering Code clause 5.23(1)</i></p>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	

No.	Obligation under condition	Findings			
429	<p>If a network operator has designated a deemed actual value for a metering point then the network operator must repair or replace the meter or one or more of components of metering equipment (as appropriate) at the metering point and subclauses 5.24(3)(c) and 5.24(4) apply in respect of the estimated or substituted value which was designated to be the deemed actual value.</p> <p><i>Metering Code clause 5.23(3)</i></p>				
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
430	<p>If a network operator uses an actual value (first value) for energy data for a metering point, and a better quality actual or deemed actual value is available (second value), the network operator must replace the first value with the second value if doing so would be consistent with good electricity industry practice.</p> <p><i>Metering Code clause 5.24(1)</i></p>	<p><i>Obligations 430 to 434</i></p> <p>The General Manager Pilbara O&M confirmed that during the period subject to audit, there were no instances in which:</p> <ul style="list-style-type: none"> • A better quality actual or deemed actual value became available • Substitution or estimation of energy data was required • A Code participant requested an estimated or substituted value to be replaced. 			
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
431	<p>If a network operator uses a deemed actual value (first value) for energy data for a metering point, and a better quality deemed actual value is available (second value), then the network operator must replace the first value with the second value if doing so would be consistent with good electricity industry practice.</p> <p><i>Metering Code clause 5.24(2)</i></p>				
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
432	<p>If a network operator uses an estimated or substituted value (first value) for energy data for a metering point, and a better quality actual, deemed, estimated or substituted value is available (second value), then the network operator must replace the first value with the second value if doing so would be consistent with good electricity industry practice or the user and its customer jointly request it to do so.</p> <p><i>Metering Code clause 5.24(3)</i></p>				
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
433	<p>A network operator (acting in accordance with good electricity industry practice) must consider any reasonable request from a Code participant for an estimated or substituted value to be replaced under subclause 5.24.</p> <p><i>Metering Code clause 5.24(4)</i></p>				
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			

No.	Obligation under condition	Findings
434	<p>A network operator must ensure the accuracy of estimated energy data in accordance with the methods in its metrology procedure and ensure that any transformation or processing of data preserves its accuracy in accordance with the metrology procedure.</p> <p><i>Metering Code clause 5.25</i></p>	<p><i>Refer to description above for obligations 430 to 434</i></p> <p>AETRH has not yet established a metrology procedure.</p>
	<p>Priority: 3 Controls rating: D Compliance Rating: NR</p>	
435	<p>Upon request from a network operator, the current user for a connection point must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.</p> <p><i>Metering Code clause 5.27</i></p>	<p>AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a user in relation to another network and this obligation is not relevant to this audit.</p>
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	
441	<p>A network operator must for the year ending on each 30 June, prepare a report setting out the information listed in subclause 5.37(2) for each metering service it was requested during the year to provide or scheduled during the year to carry out.</p> <p><i>Metering Code clause 5.37(1)(a)</i></p>	<p><i>Obligations 441 to 446</i></p> <p>During the period subject to audit, the requirements of Division 5.5 of the Metering Code were not relevant to AETRH's network operations as AETRH did not have any small use customers connected to its network and it was not contracted to provide metering services at one or more connection points on its network.</p> <p>Accordingly, AETRH had no obligations under clauses 5.37 and 5.38 of the Metering Code for the period subject to audit.</p>
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	
442	<p>A network operator must provide a copy of the report described in subclause 5.37(1)(a) to the Minister and the Authority not less than 5 business days before it is published under subclause 5.37(3).</p> <p><i>Metering Code clause 5.37(1)(b)</i></p>	
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	
443	<p>A network operator must publish the report described in subclause 5.37(1) within 3 months after the year ends.</p> <p><i>Metering Code clause 5.37(1)(b)</i></p>	
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	
444	<p>The report prepared by the network operator must include the information prescribed.</p> <p><i>Metering Code clause 5.37(2)</i></p>	
	<p>Priority: 4 Controls rating: NP Compliance Rating: NR</p>	

No.	Obligation under condition	Findings
445	For each relevant metering service, the information in subclause 5.37(2) must be reported separately for the specified classes of connection point. <i>Metering Code clause 5.37(3)</i>	<i>Refer to description above for obligations 441 to 446</i>
	Priority: 4 Controls rating: NP Compliance Rating: NR	
446	A network operator must keep such records of information as are required for the purposes of subclause 5.37, and must retain the information (in a format that is accessible within a reasonable period of time) for at least 7 years after the day on which a report containing the information is published under subclause 5.37(1)(c). <i>Metering Code clause 5.38</i>	
	Priority: 4 Controls rating: NP Compliance Rating: NR	
Part 6 Documentation		
447	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed. <i>Metering Code clause 6.1(1)</i>	AETRH has not complied with clause 6.2 of the Metering Code, which requires a network operator to submit a proposed model service level agreement, metrology procedure and mandatory link criteria to the Authority for its approval. However, we note that as there are no other users of AETRH's transmission and distribution network and no foreseeable prospect of a request to use the network, AETRH's circumstances have not triggered the intent of the Metering Code for such documents to be prepared for the purpose of another user. However, AETRH has not established a clear metering management plan or framework for demonstrating its compliance with all applicable agreements, rules, procedures, criteria and processes outlined in Part 6 of the Metering Code.
	Priority: 3 Controls rating: C Compliance Rating: NR	
448	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed. <i>Metering Code clause 6.1(2)</i>	AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a user in relation to another network and this obligation is not relevant to this audit.
	Priority: 4 Controls rating: NP Compliance Rating: NR	
449	A network operator must amend any document in accordance with the Authority's final findings. <i>Metering Code clause 6.20(4)</i>	<i>Obligations 449 and 450</i> During the period subject to audit, AETRH had not submitted a proposed model service level agreement, metrology procedure or mandatory link criteria to the Authority for its approval.
	Priority: 5 Controls rating: NP Compliance Rating: NR	
450	The network operator must publish any document that has been amended under subclause 6.20(4). <i>Metering Code clause 6.20(5)</i>	
	Priority: 4 Controls rating: NP Compliance Rating: NR	

No.	Obligation under condition	Findings
Part 7 Notes and confidential information		
451	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. <i>Metering Code clause 7.2(1)</i>	Through discussions with the Wholesale Regulation Manager and consideration of AETRH's business practices, we determined that AETRH maintains electronic, facsimile and voice communication channels commensurate with the expectations of a major business.
	Priority: 5	Controls rating: NP Compliance Rating: 1
452	A network operator must notify each Code participant of its initial contact details and of any change to its contact details at least 3 business days before the change takes effect. <i>Metering Code clause 7.2(2)</i>	AETRH had notified its customer of its contact details prior to the issue of the Licence. The Wholesale Regulation Manager confirmed that AETRH has not made any changes to its contact details during the period subject to audit.
	Priority: 4	Controls rating: NP Compliance Rating: 1
453	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request. <i>Metering Code clause 7.2(4)</i>	<i>Obligations 453 and 454</i> AETRH has not accessed any other network for the purpose of its Licence throughout the period subject to this audit. Accordingly it has not acted as a Code participant in relation to another network and this obligation is not relevant to this audit.
	Priority: 4	Controls rating: NP Compliance Rating: NR
454	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect. <i>Metering Code clause 7.2(5)</i>	
	Priority: 4	Controls rating: NP Compliance Rating: NR
455	A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code. <i>Metering Code clause 7.5</i>	<i>Obligations 455 and 456</i> Through discussions with the General Manager Pilbara O&M; and examination of AETRH's PPA, we determined that: <ul style="list-style-type: none"> • AETRH is aware of its confidentiality requirements in its capacity as a network operator • AETRH's PPA (which governs AETRH's obligations as a network operator) with its customer contains detailed provisions on the management of confidential information • During the period subject to audit, AETRH was not required under a provision in the Metering Code to disclose confidential information.
	Priority: 4	Controls rating: NP Compliance Rating: 1
456	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code. <i>Metering Code clause 7.6(1)</i>	
	Priority: 4	Controls rating: NP Compliance Rating: NR

No.	Obligation under condition	Findings			
Part 8 Dispute resolution					
457	<p>If any dispute arises between any Code participants then (subject to subclause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.</p> <p><i>Metering Code clause 8.1(1)</i></p>	<p><i>Obligations 457 to 461</i></p> <p>For the purposes of the Metering Code, ‘disputes’ refers to metering disputes between AETRH as a code participant and as a network operator, another retailer, another generator, another network operator, a user or the IMO.</p> <p>Through discussions with the General Manager Pilbara O&M; and examination of AETRH’s customer PPAs, we determined that:</p> <ul style="list-style-type: none"> • No disputes occurred during the period subject to audit • AETRH, in its role as a network operator, is governed by the provisions of its customer PPA when settling disputes. 			
	<table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>		Priority: 5	Controls rating: NP	Compliance Rating: NR
Priority: 5	Controls rating: NP		Compliance Rating: NR		
458	<p>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.</p> <p><i>Metering Code clause 8.1(2)</i></p>				
	<table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>		Priority: 5	Controls rating: NP	Compliance Rating: NR
Priority: 5	Controls rating: NP	Compliance Rating: NR			
459	<p>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.</p> <p><i>Metering Code clause 8.1(3)</i></p>				
	<table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 5	Controls rating: NP	Compliance Rating: NR	
Priority: 5	Controls rating: NP	Compliance Rating: NR			
460	<p>If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.</p> <p><i>Metering Code clause 8.1(4)</i></p>				
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
461	<p>The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).</p> <p><i>Metering Code clause 8.3(2)</i></p>				
	<table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 5	Controls rating: NP	Compliance Rating: NR	
Priority: 5	Controls rating: NP	Compliance Rating: NR			

4.4 Electricity Industry (Network Quality and Reliability of Supply) Code

No.	Obligation under condition	Findings
462	A distributor or transmitter must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards. <i>Network Quality and Reliability of Supply Code clause 5(1)</i>	<p><i>Obligations 462 to 469</i></p> <p>Through discussion with the General Manager Pilbara O&M; consideration of AETRH's transmission and distribution network operations and the relevant items of its customer PPA, we determined that during the period subject to audit:</p> <ul style="list-style-type: none"> AETRH's customer PPA prescribes: <ul style="list-style-type: none"> Power system specifications Voltage fluctuation, harmonic and reliability requirements Obligations upon AETRH for managing interruptions, including recognising interruptions, communicating with the customer, restoration in conjunction with the customer As far as reasonably practicable, AETRH had ensured that electricity supply to its customer's electrical installations complied with the prescribed standards AETRH maintained formal records of correspondence with the customer in relation to requests for data relating to the quality of supply There were no occasions in which AETRH was required to disconnect the supply of electricity to its customer's electrical installations As far as reasonably practicable and in accordance with the PPA with its customer, AETRH had ensured that the supply of electricity to its customer was maintained and the occurrence and duration of interruptions was kept to a minimum There were no instances in which an alternate supply of electricity was viable in the event of AETRH's customer being affected by a proposed interruption AETRH's customer PPA addresses the requirements of clause 13 of the Network Quality and Reliability of Supply Code in relation to the duration of interruptions.
	Priority:5 Controls rating: NP Compliance Rating: 1	
463	A distributor or transmitter must, so far as reasonably practicable, disconnect the supply of electricity to installations or property in specified circumstances, unless it is in the interest of the customer to maintain the supply. <i>Network Quality and Reliability of Supply Code clause 8</i>	
	Priority:5 Controls rating: NP Compliance Rating: NR	
464	A distributor or transmitter must, as far as reasonably practicable, ensure that the supply of electricity is maintained and the occurrence and duration of interruptions is kept to a minimum. <i>Network Quality and Reliability of Supply Code clause 9</i>	
	Priority:5 Controls rating: NP Compliance Rating: 1	
465	A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer. <i>Network Quality and Reliability of Supply Code clause 10(1)</i>	
	Priority:5 Controls rating: NP Compliance Rating: 1	
466	A distributor or transmitter must consider whether, in specified circumstances, it should supply electricity by alternative means to a customer who will be affected by a proposed interruption. <i>Network Quality and Reliability of Supply Code clause 10(2)</i>	
	Priority:5 Controls rating: NP Compliance Rating: NR	
468	A distributor or transmitter must, so far as reasonably practicable, ensure that customers in specified areas do not have average total lengths of interruptions of supply greater than specified durations. <i>Network Quality and Reliability of Supply Code clause 13(2)</i>	
	Priority:5 Controls rating: NP Compliance Rating: NR	

No.	Obligation under condition	Findings
469	The average total length of interruptions of supply is to be calculated using the specified method. <i>Network Quality and Reliability of Supply Code clause 13(3)</i>	<i>Refer to description above for obligations 462 to 469</i>
	Priority:4 Controls rating: NP Compliance Rating: NR	
470	A distributor or transmitter must, on request, provide to an affected customer a free copy of an instrument issued by the Minister and of any notice given under section 14(7) of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005. <i>Network Quality and Reliability of Supply Code clause 14(8)</i>	During the period subject to audit, the Minister had not issued an instrument in relation to the Network Quality and Reliability of Supply Code, nor had any notice been given under section 14(7) of the Network Quality and Reliability of Supply Code.
	Priority:4 Controls rating: NP Compliance Rating: NR	
471	A distributor or transmitter that agrees with a customer to exclude or modify certain provisions must set out the advantages and disadvantages to the customer of doing so in their agreement. <i>Network Quality and Reliability of Supply Code clause 15(2)</i>	Through discussion with the General Manager Pilbara O&M; and consideration of AETRH's operations and its customer PPA, we determined that: <ul style="list-style-type: none"> • AETRH's PPA with its customer sets out provisions related to quality and reliability standards • During the period subject to audit, no new customer agreements had been established.
	Priority:4 Controls rating: NP Compliance Rating: NR	
477	A distributor or transmitter must take all such steps as are reasonably necessary to monitor the operation of its network to ensure compliance with specified requirements. <i>Network Quality and Reliability of Supply Code clause 23(1)</i>	Through discussion with the General Manager Pilbara O&M; and consideration of AETRH's transmission and distribution network operations and its customer PPA, we determined that during the period subject to audit, as far as reasonably practicable, AETRH had monitored its network operations to ensure compliance with the requirements of its customer PPA and any additional requirement prescribed by the Network Quality and Reliability of Supply Code.
	Priority: 5 Controls rating: NP Compliance Rating: 1	
478	A distributor or transmitter must keep records of information regarding its compliance with specific requirements for the period specified. <i>Network Quality and Reliability of Supply Code clause 23(2)</i>	Through discussions with the General Manager Pilbara O&M and Wholesale Regulation Manager; and consideration of AETRH's business practices, we determined that AETRH uses the SharePoint system to maintain formal records of information regarding its network quality and reliability performance.
	Priority: 4 Controls rating: NP Compliance Rating: 1	
479	A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements. <i>Network Quality and Reliability of Supply Code clause 24(3)</i>	<i>Obligations 479 and 480</i> The General Manager Pilbara O&M confirmed that during the period subject to audit, its customer had requested AETRH to complete quality investigations and AETRH provided information relating to the result of the investigations performed, within 20 working days of request and in accordance with the requirements of the customer's PPA.
	Priority: 4 Controls rating: NP Compliance Rating: 1	
480	A distributor or transmitter must report the results of an investigation to the customer concerned. <i>Network Quality and Reliability of Supply Code clause 24(4)</i>	
	Priority: 4 Controls rating: NP Compliance Rating: 1	

Appendix A – Audit Plan

Appendix B – References

AETRH staff and representatives participating in the review

- Alinta Energy General Manager Pilbara O&M
- Alinta Energy Manager, Asset Management & Engineering
- Alinta Energy Finance Manager – Power Generation
- Alinta Energy Wholesale Regulation Manager
- Alinta Energy Manager Regulatory Compliance
- Alinta Energy Ellipse Team Leader
- AETRH Newman Power Station Manager.

Deloitte staff participating in the review

Name	Position	Hours
• Richard Thomas	Partner	3
• Andrew Baldwin	Account Director	40
• David Herbert	Senior Analyst	5
• Kobus Beukes	Quality Assurance Partner	1
• Esther Ong	Analyst	4

Key documents and other information sources examined

- FY15 and FY16 Annual Compliance Reports
- FY14 Alinta Holdings Group financial statements and supplementary notes
- FY15 Alinta Holdings Group financial statements and supplementary notes
- Regulatory Obligations Register
- ERA Licence payment tax invoices and ANZ Payment Detail Reports for October 2013, 2014 and 2015
- Accounting position paper – Operating and Capital Expenses Policy
- Electricity Licence Application Alinta Energy Transmission (Roy Hill) Pty Ltd 3 April 2014
- Example land access easement agreement
- Customer Power Purchase Agreement
- Newman Power Station and Roy Hill Transmission Line Strategic Asset Management Plan 2015
- Newman Power Station and Roy Hill Transmission Line Asset Management Plan 2015/16
- Alinta Energy Asset Management Framework
- KMI Incident Management Register
- Newman Power Station Emergency Response Plan
- Power Generation Weekly Performance Report
- Newman Power Station Q3 FY16 Revenue and expenditure (operating and capital) model
- IT Security Policy
- Alinta Energy back-up system protocol
- Application user approval matrix
- Accounts policies/Password Policy system parameters.

Appendix C – Post Audit Implementation Plan

Issue 1/2016

Obligation 103: *Electricity Industry Act section 14.1(b)*

Through discussions with the Manager Asset Management & Engineering and General Manager Pilbara O&M; and consideration of AETRH's Asset Management Framework and Site Asset Management Plans, we determined that AETRH's asset management system has further evolved since the Authority was advised of the details of the system at the time of AETRH's application for its Licence. The key enhancement made during the period subject to this audit relates to the use of the SPM Asset software for supplementing the capabilities of the Ellipse system in AETRH's approach to assessing and treating risks.

Judgement is required to determine whether changes to the asset management system during the audit period are sufficiently substantial as to require specific notification to the Authority in accordance with the requirements of section 14(1) of the Act. AETRH had not specifically considered this requirement and does not have a protocol in place for determining whether the requirement has been triggered.

As it may be reasonable to form a view either way, we consider AETRH has not breached the requirements of the Act.

Recommendation 1/2016

AETRH establish a protocol for determining what constitutes a "substantial change" in its asset management system and for duly notifying the Authority when appropriate.

Action Plan 1/2016

AETRH will amend its Management of Change procedure to include a definition of a "substantial change" to the asset management system, requiring management under that procedure and which will acknowledge the requirement to notify the Authority of any such change.

Responsible Person: Manager, Asset Management & Engineering

Target Date: 31 December 2016

Issue 2/2016

- Obligation 319:** *Metering Code clause 3.1*
Obligation 320: *Metering Code clause 3.2(1)*
Obligations 326, 327: *Metering Code clauses 3.5(1), (2) and (3)*
Obligation 331: *Metering Code clause 3.7*
Obligation 332: *Metering Code clause 3.8*
Obligation 333: *Metering Code clause 3.9(3)*
Obligation 336: *Metering Code clause 3.10*
Obligation 337: *Metering Code clause 3.11(1)*
Obligations 340, 341: *Metering Code clauses 3.11A(1) and (2)*
Obligations 342 to 344: *Metering Code clauses 3.12(1) to (3)*
Obligation 345: *Metering Code clause 3.12(4)*
Obligation 357: *Metering Code clause 3.21(1)*
Obligation 366: *Metering Code clause 4.1(1)*
Obligation 369: *Metering Code clause 4.2(1)*
Obligation 370: *Metering Code clause 4.3(1)*
Obligation 411: *Metering Code clause 5.20(1)*
Obligation 422: *Metering Code clause 5.22(1)*
Obligation 434: *Metering Code clause 5.25*
Obligation 447: *Metering Code clause 6.1(1)*

AETRH maintains two meters on its electricity transmission and distribution network for measuring and recording energy data relating to electricity transferred to its single customer's delivery points. AETRH's PPA with its customer specifies AETRH's obligations for installing, operating and maintaining metering equipment in accordance with *Good Engineering and Operating Practices* and the Metering Code. All energy data from these meters is captured within Alinta Energy's Honeywell Experion system.

Although AETRH has demonstrated that it has operated its meters and recorded related energy data to the satisfaction of its customer throughout the period subject to this audit:

1. AETRH has not fully complied with the requirements to:
 - Maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for maintenance and auditing purposes (**obligation 345**)
 - Maintain and administer a metering database containing the required standing data in accordance with Part 4 of the Metering Code (**obligations 366, 369 and 370**)
 - Develop an Energy Data Verification Request Form (**obligation 411**).
2. AETRH has not established a clear metering management plan or framework for demonstrating its:
 - Installation and maintenance of meters in accordance with an applicable metrology procedure, the specifications of the National Measurement Institute under the *National Measurements Act*; and the functionality and testing requirements outlined in Part 3 of the Metering Code (**obligations 319, 320, 326, 327, 331 to 333, 336, 337, 340 to 344, 434**)
 - Management of validated energy data (**obligation 422**)
 - Compliance with all applicable agreements, rules, procedures, criteria and processes outlined in Part 6 of the Metering Code (**obligation 447**).

We also note that AETRH has not complied with clause 6.2 of the Metering Code, which requires a network operator to submit a proposed model service level agreement, metrology procedure and mandatory link criteria to the Authority for its approval (clause 6.2 of the Metering Code is not referenced in the Reporting Manual and was not included in the audit plan). We acknowledge that there are no other users of AETRH's transmission and distribution network and no foreseeable prospect of a request to use the network.

<p>Recommendation 2/2016</p> <p>AETRH:</p> <ol style="list-style-type: none"> 1. Establish a formal metering database, maintain drawings and supporting information and develop an Energy Data Verification Request Form to ensure its compliance with the requirements of the Metering Code. 2. Prepare a metering management plan (or similar) to: <ol style="list-style-type: none"> a. Incorporate the requirements of the Metering Code relevant to AETRH's metering operations b. Consolidate and expand on the obligations contained in the PPA. 3. Reach a position on its approach for addressing the technical requirements of clause 6.2 of the Metering Code. 	<p>Action Plan 2/2016</p> <p>AETRH will:</p> <ol style="list-style-type: none"> 1. Establish a formal metering database, maintain drawings and supporting information and develop an Energy Data Verification Request Form to ensure its compliance with the requirements of the Metering Code. 2. Prepare a metering management plan to incorporate the requirements of the Metering Code relevant to AETRH's metering operations. 3. Reach a position on its approach for addressing the technical requirements of clause 6.2 of the Metering Code. <p>Responsible Person: General Manager Pilbara O&M</p> <p>Target Date: 31 March 2017</p>
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