



FINAL REPORT

2018 Performance Audit

Landfill Gas & Power Pty Ltd
Retail Licence ERL11

Audit Report	Authorisation	Name	Position	Date
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Glossary of Terms

AEMO – Australian Energy Market Operator

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

CTR – Customer Transfer Request

EDL – Energy Developments Pty Ltd

ERA – Economic Regulation Authority

ERL11 – Electricity Retail License 11

ESA – Electricity Supply Agreement

ETAC – Electricity Transfer Access Contract

GES - Geographe Environmental Services Pty Ltd

LGP – Landfill Gas & Power Pty Ltd

NMI – National Metering Identifier

RRN – Retailer Reference Number

RFP – Request for Proposal

Small Use Customer – customers with consumption greater than 50 MWh and less than 160MWh per annum

WEM – Wholesale Electricity Market

WPC – Western Power Corporation (WPC and WPN are the same organisation)

WPN – Western Power Networks

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

1. EXECUTIVE SUMMARY

Landfill Gas and Power Pty Ltd (LGP) is an electricity retailer which supplies electricity in Western Australia. LGP is a wholly owned subsidiary of Energy Developments Pty Ltd (EDL).

As the contracted volume of electricity supplied to each of LGP's customers exceeds 160MWh p.a., the customers are not *Small Use Customers as defined by the Code of Conduct for the Supply of Electricity to Small Use Customers 2016*.

Landfill Gas & Power has an Electricity Retail Licence (ERL11) issued by the Economic Regulation Authority (ERA) under sections 7 and 15(2) of the *Electricity Industry Act 2004*.

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

The Authority approved the appointment of Geographe Environmental Services Pty Ltd on the 9th May 2018 (ERA Reference D187260), and subsequently required the development of an audit plan for ERA approval. An audit plan was prepared for the Retail Licence and approval of the audit plan was provided on the 18/07/2018 (ERA Reference D190053) and a variation was approved subsequently.

The Audit has been executed as planned in accordance with the process flowchart for performance/operational audits as detailed in the 2014 Audit & Review Guidelines - Electricity and Gas Licences.

The period for the audit is, 1 July 2014 to 30 June 2018 and the submission of this report as determined with the Authority is evidence of compliance. During the audit period, EDL acquired the LGP business in April 2016. Prior to April 2016, LGP was owned by Australian Capital Equity Pty Ltd. A transitional period occurred between previous and current licensee to ensure business continuity and transition of systems.

AUDIT CONCLUSION

The Performance Audit has been conducted in order to assess the effectiveness of the measures taken by LGP Pty Ltd to meet the conditions of its Retail Licence ERL11 and the legislative obligations applicable to its licence. Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit

team members have gained reasonable assurance that LGP Pty Ltd has complied with its Retail Licence as it applies to its operations and activities during the audit period. There were no non-compliances identified requiring corrective actions. During the audit period the control environment operated by the licensee is determined to be well established. Areas of improvement that have been raised within the report relate to the increased control surrounding verbal contact from customers and the network operator to ensure ongoing compliance. These issues are highlighted in table 5 and section 2.4 of the report. This audit report is an accurate representation of the audit teams findings and opinions.

2. PERFORMANCE AUDIT

2.1 Performance Audit Scope

This is the fourth audit of LGP compliance with obligations relating to Retail Licence ERL11. As such, the scope of the audit for the period 1 July 2014 to 30 June 2018 is to:

- **process compliance** - the effectiveness of systems and procedures in place throughout the audit period, including the adequacy of internal controls
- **outcome compliance** – the actual performance against standards prescribed in the licence throughout the audit period
- **output compliance** – the existence of the output from systems and procedures throughout the audit period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained);
- **integrity of reporting** – the completeness and accuracy of the compliance and performance reports provided to the Authority; and
- **compliance with any individual licence conditions** – the requirements imposed on the specific licensee by the Authority or specific issues that are advised by the Authority.

There were no performance standards defined within the Retail Licence or the Authority's Electricity Compliance Reporting Manual (July 2017).

The following people were interviewed during the Performance Audit;

- Commercial Analyst - Remote Energy
- Management Accountant – Remote Energy
- Financial Controller – Remote Energy

2.2 Performance Audit Objective

The objective of the performance audit was detailed within the Audit Plan, as required by the Audit & Review Guidelines (refer section 9.2.1). As this is the fourth audit for the licensee, a review of the actions taken to address the issues and recommendations identified during the audit period was undertaken (i.e. Compliance Reports submitted during the audit period).

The Audit was conducted in three phases as defined by the Audit & Review Guidelines. The phases and the appropriate audit guide/tool are detailed in Table 1 below;

Table 1: Performance Audit Methodology and Allocated Hours

Phase	Auditor	Hours	Relevant Auditing Standard
1. Risk & Materiality Assessment Outcome - Operational/ Performance Audit Plan	Nicole Davies	20	ASAE 3000*: Assurance Engagements Other than Audits or Reviews of Historical Financial Information ASAE 3100*: Compliance Engagements ASA 315*: Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment AS/NZS ISO 31000:2009 Risk Management Principles & Guidelines
2. System Analysis	Nicole Davies	10	AS 3806-2006: Compliance Programs & AS ISO 19600 – 2014 Compliance management systems - Guidelines
3. Fieldwork & Report Preparation Assessment and testing of; <ul style="list-style-type: none"> ▪ The control environment ▪ Information system ▪ Compliance procedures ▪ Compliance attitude 	Nicole Davies	40	ASA 500*: Audit Evidence ASA 530*: Audit Sampling

* Note all Auditing & Assurance Standards sourced from <http://www.auasb.gov.au/>

2.3 Performance Audit Methodology

A risk assessment, assessment of control environment and allocation of audit priority was undertaken in accordance with the 2014 Audit & Review Guidelines - Electricity and Gas Licences on each element relating to Retail licensee's of the Electricity Compliance Reporting Manual (July 2017) issued by the Authority. This approach mandated by the Economic Regulation Authority provides an effective assessment of compliance due to each licence condition being incorporated into document.

The Electricity Compliance Reporting Manual (July 2017) as published on the ERA website specifically classifies each licence condition according to the consequences of non compliance. The Type 1 obligations are not applicable to Landfill Gas and Power Pty Ltd as they do not have any small use customers. Additionally, there are a number of Type 2 and NR obligations that also do not apply as detailed in the Audit Plan.

In accordance with the Audit & Review Guidelines (April 2014, section 9.4.3), Landfill Gas and Power Pty Ltd compliance criteria have been assessed for audit priority by the Auditors and agreed by the

Authority.

In order to focus the audit effort and identify areas for testing and analysis a preliminary assessment of the risk and materiality of non-compliance with the Retail Licence was undertaken in accordance with the requirements of AS/NZS 31000 Risk Management Section 5.3 and Appendix 1 of the Audit & Review Guidelines. This assessment rating was reviewed during the audit process subject to the verification of control environment.

2.4 Performance Audit Finding & Recommendations

2.4.1 Performance Audit Compliance Summary

The Audit findings are detailed in Table 3 below, which interprets the findings of Appendix 1 against the Retail Licence clauses. The requirements that were determined to be not applicable in the audit plan have been omitted from this report.

A comprehensive report of the audit findings as applicable to the ERL11 is included in Appendix 1.

TABLE: 2 Audit Compliance and Controls Rating Scale

Performance Audit Compliance & Controls Rating Scales			
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 needed	3	Non-Compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-Compliant – major impact on customers or third parties
NP	Not Performed	NR	Not rated – Determined Not Applicable during the audit period

Table 3: Compliance Summary Table

Compliance Obligation Reference No.	Licence Reference	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
			A	B	C	D	NP	1	2	3	4	NR
SECTION 8: TYPE 1 REPORTING REQUIREMENTS												
REF 234-236 & 257 TYPE 1 REPORTING REQUIREMENTS ALL NOT APPLICABLE AS LANDFILL GAS & POWER PTY LTD DOES NOT HAVE ANY SMALL USE CUSTOMERS												
SECTION 9: ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE – LICENCE CONDITIONS AND OBLIGATIONS												
6	Electricity Industry Customer Transfer Code clause 3.2(2)	5	A					1				
7	Electricity Industry Customer Transfer Code clause 3.4(1)	5	A					1				
8	Electricity Industry Customer Transfer Code clause 3.5(3)	4					NP					NR
9	Electricity Industry Customer Transfer Code clause 3.6(2)	4					NP					NR
16	Electricity Industry Customer Transfer Code clause 3.9(1)	4	A					1				
17	Electricity Industry Customer Transfer Code clause 3.9(2)	4					NP					NR
18	Electricity Industry Customer Transfer Code clause 3.9(3)	4					NP					NR
19	Electricity Industry Customer Transfer Code clause 3.9(4)	4	A					1				
23	Electricity Industry Customer Transfer Code clause 4.2(2)	5	A					1				
24	Electricity Industry Customer Transfer Code clause 4.3	5	A					1				
25	Electricity Industry Customer Transfer Code clause 4.4(1)	5	A					1				

Compliance Obligation Reference No.	Licence Reference	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
			A	B	C	D	NP	1	2	3	4	NR
26	Electricity Industry Customer Transfer Code clause 4.4(2)	5					NP					NR
27	Electricity Industry Customer Transfer Code clause 4.5(1)	5	A					1				
28	Electricity Industry Customer Transfer Code clause 4.6(3)	4					NP					NR
29	Electricity Industry Customer Transfer Code clause 4.7	5	A					1				
30	Electricity Industry Customer Transfer Code clause 4.8(2)	4					NP					NR
34	Electricity Industry Customer Transfer Code clause 4.9(6)	4	A					1				
39	Electricity Industry Customer Transfer Code clause 4.11(3)	4	A					1				
40	Electricity Industry Customer Transfer Code clause 4.12(3)	5					NP					NR
43	Electricity Industry Customer Transfer Code clause 4.15	5					NP					NR
44	Electricity Industry Customer Transfer Code clause 4.16	4	A					1				
45	Electricity Industry Customer Transfer Code clause 4.17	4	A					1				
48	Electricity Industry Customer Transfer Code clause 5.2	4	A					1				
48A	Electricity Industry Customer Transfer Code clause 6.1	4	A					1				
49	Electricity Industry Customer Transfer Code clause 6.2	5	A					1				

Compliance Obligation Reference No.	Licence Reference	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
			A	B	C	D	NP	1	2	3	4	NR
52	Electricity Industry Customer Transfer Code clause 6.4(1)	4					NP					NR
53	Electricity Industry Customer Transfer Code clause 6.4(2)	4					NP					NR
54	Electricity Industry Customer Transfer Code clause 6.6	4	A					1				
55	Electricity Industry Customer Transfer Code clause 7.1(1)	4					NP					NR
56	Electricity Industry Customer Transfer Code clause 7.1(2)	4					NP					NR
57	Electricity Industry Customer Transfer Code clause 7.1(3)	4					NP					NR
58	Electricity Industry Customer Transfer Code clause 7.2(4)	5					NP					NR
59	Electricity Industry Customer Transfer Code clause 7.3(2)	5					NP					NR
68*	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)	5	A					1				
69*	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)	5	A					1				
70*	Electricity Industry Customer Transfer Code Annex 6 clause A6.6	5	A					1				
71*	Electricity Industry Customer Transfer Code Annex 6 clause A6.7	5	A					1				

*Note: Applicable to 31 October 2016. Obligation then removed from Electricity Compliance Reporting Manual due to the removal of Annex 6.

Compliance Obligation Reference No.	Licence Reference	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
			A	B	C	D	NP	1	2	3	4	NR
SECTION 11 : ELECTRICITY INDUSTRY (CUSTOMER CONTRACTS) REGULATIONS - LICENCE CONDITIONS AND OBLIGATIONS												
REF 78-100 NOT APPLICABLE AS LANDFILL GAS & POWER PTY LTD DOES NOT HAVE ANY SMALL USE CUSTOMERS												
SECTION 12: ELECTRICITY INDUSTRY ACT - LICENCE CONDITIONS AND OBLIGATIONS												
101	Electricity Industry Act section 13(1)	4	A					1				
105	Electricity Industry Act section 17(1)	4		B				1				
106	Electricity Industry Act section 31(3)	4					NP					NR
107-111 ALL NOT APPLICABLE AS LANDFILL GAS & POWER DOES NOT HAVE ANY SMALL USE CUSTOMERS												
113	Electricity Industry Act section 115(2)	4	A					1				
SECTION 13: ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS												
REF 114-118, 120 ALL NOT APPLICABLE AS LANDFILL GAS & POWER PTY LTD DOES NOT HAVE ANY SMALL USE CUSTOMERS												
119	Electricity Industry Act section 11 Retail Licence condition 12.1	4	A					1				
121	Electricity Industry Act section 11 Retail Licence condition 14.2	4	A					1				
123	Electricity Industry Act section 11 Retail Licence condition 15.1	4					NP					NR
124	Electricity Industry Act section 11 Retail Licence condition 16.1	4	A					1				
125	Electricity Industry Act section 11	4					NP					NR

Compliance Obligation Reference No.	Licence Reference	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
			A	B	C	D	NP	1	2	3	4	NR
	Retail Licence condition 17.1 & 17.2											
126	Electricity Industry Act section 11 Retail Licence condition 18.1	4	A					1				
SECTION 14: CODE OF CONDUCT – LICENCE CONDITIONS AND OBLIGATIONS												
THIS SECTION IS ALL NOT APPLICABLE AS LANDFILL GAS & POWER PTY LTD DOES NOT HAVE ANY SMALL USE CUSTOMERS												
SECTION 15: ELECTRICITY INDUSTRY METERING CODE - LICENCE CONDITIONS AND OBLIGATIONS												
324	Electricity Industry Metering Code clause 3.3B	4	A					1				
339	Electricity Industry Metering Code clause 3.11(3)	4		B								NR
354	Electricity Industry Metering Code clause 3.18(1)	NA	NOT APPLICABLE - ONLY APPLICABLE TO SYNERGY AS THE ELECTRICITY RETAIL CORPORATION									
364	Electricity Industry Metering Code clause 3.27	4					NP					NR
371	Electricity Industry Metering Code clause 4.4(1)	5					NP					NR
372	Electricity Industry Metering Code clause 4.5(1)	5	A					1				
373	Electricity Industry Metering Code clause 4.5(2)	4		B				1				
388	Electricity Industry Metering Code clause 5.4(2)	5					NP					NR
402	Electricity Industry Metering Code clause 5.17(1)	4					NP					NR
405	Electricity Industry Metering Code clause 5.18	4					NP					NR

Compliance Obligation Reference No.	Licence Reference	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
			A	B	C	D	NP	1	2	3	4	NR
406	Electricity Industry Metering Code clause 5.19(1)	5					NP					NR
407	Electricity Industry Metering Code clause 5.19(2)	5	A					1				
408	Electricity Industry Metering Code clause 5.19(3)	4		B								NR
410	Electricity Industry Metering Code clause 5.19(6)	5					NP					NR
416	Electricity Industry Metering Code clause 5.21(5)	4					NP					NR
417	Electricity Industry Metering Code clause 5.21(6)	4					NP					NR
435	Electricity Industry Metering Code clause 5.27	4					NP					NR
448	Electricity Industry Metering Code clause 6.1(2)	4	A					1				
451	Electricity Industry Metering Code clause 7.2(1)	5	A					1				
453	Electricity Industry Metering Code clause 7.2(4)	4					NP					NR
454	Electricity Industry Metering Code clause 7.2(5)	4	A					1				
455	Electricity Industry Metering Code clause 7.5	4	A					1				
456	Electricity Industry Metering Code clause 7.6(1)	4					NP					NR
457	Electricity Industry Metering Code clause 8.1(1)	5					NP					NR

Compliance Obligation Reference No.	Licence Reference	Audit Priority	Adequacy of Controls Rating					Compliance Rating				
			A	B	C	D	NP	1	2	3	4	NR
458	Electricity Industry Metering Code clause 8.1(2)	5					NP					NR
459	Electricity Industry Metering Code clause 8.1(3)	5					NP					NR
460	Electricity Industry Metering Code clause 8.1(4)	4					NP					NR
461	Electricity Industry Metering Code clause 8.3(2)	5					NP					NR
SECTION 17: ELECTRICITY LICENCES - LICENSEE SPECIFIC CONDITIONS AND OBLIGATIONS												
THIS SECTION IS NOT APPLICABLE TO LANDFILL GAS & POWER PTY LTD AS THERE HAVE BEEN NO SPECIFIC CONDITIONS AND OBLIGATIONS ATTACHED TO THE RETAIL LICENCE												

2.4.2 Previous Audit Findings and Recommendations

This is the fourth Performance Audit for ERL11 the following table address the previous audit recommendations and non-compliances.

Table 4 : Previous audit non compliances and recommendations

TABLE OF PREVIOUS NON-COMPLIANCES & AUDIT RECOMMENDATIONS				
A Resolved before end of previous audit period				
Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
Not Applicable				
B Resolved during current audit period				
Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
Ref 18	Compliant –B1 The issue of obtaining Verifiable Consent (VC) is well managed. However, there is a risk that the VC may not be obtained for existing customers that open a new site	Implement the VC form through the Senior Business Analyst/Project Administrator business controls (i.e. Create as field on excel spreadsheets used).	Resolved	Further Action Required: No The previous organisation used a Business Control Spreadsheet. The current licensee does not utilise the Business Control Spreadsheet system, however, there are the following controls to ensure VC obtained as confirmed during audit discussions; <ul style="list-style-type: none"> • Verifiable Consent is covered as a separate clause in the existing ESA • Finance engage with Commercial on customer queries
Ref 105 124	Non-Compliant – 105- B1/ 124 -B2	Implement a compliance management trigger to capture i.e. spreadsheet,	Resolved.	Further Action Required: NO Compliance achieved in these obligations.

		standing agenda item to ensure ongoing compliance		
Ref 345	Develop processes to ensure that when 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 bidirectional electricity flows can notify the network operator within 2 business days	Add all bi-directional meters to Contract Tracker and develop a work instruction for management bi-directional customers	Resolved	Further Action Required: NO The licensee has procedures established and referenced the Electricity Retailer Guidelines - Network connection of embedded generation systems (March 2018)
C Unresolved at end of current Audit period				
Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
Not Applicable				

2.4.3 Performance Audit Summary of Current Audit Non-Compliances & Recommendations

Table 5 below details the Summary Current Audit Non-Compliances and Recommendations as required by the Authority (Section 11.6 of Audit & Review Guidelines).

Table 5: Current Audit Non-Compliances and Recommendations

TABLE OF CURRENT AUDIT NON COMPLIANCES/RECOMMENDATIONS				
A. RESOLVED DURING CURRENT AUDIT PERIOD				
Reference (no./year)	(Compliance rating/ Legislative Obligation/ details of the issue)	Auditors' Recommendation or action taken	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
Not Applicable				
B. UNRESOLVED AT END OF CURRENT AUDIT PERIOD				
Manual Ref/Year	Non Compliance/Controls Improvement (Rating/ Legislative Obligation/ Details of Non Compliance or Inadequacy of Controls)	Auditors Recommendation	Management action taken by end of Audit period	
1/2018 Ref 105	Compliant B1- Payment of Fees The organisation has complied with the payment terms for its Retail Licence during the audit period. The obligation to pay licensee fees in maintained with the Contract Register, which is a manually monitored spreadsheet that address contractual obligations. All other ERL11 requirements are also maintained in Share Point which is an effective and monitored tool to ensure compliance.	Ensure the obligation relating to ERL11 payment of fees annually by the 30 th July is captured in the Share Point process.	The organisation has acknowledged the potential of Share Point to centralise compliance obligations.	
2/2018 Ref 339, 373 & 408	Compliant – BNR – Notification of meter data discrepancy/ change to site attributes There is no formalised process established to record initial contact by a customer other than email for meter discrepancy queries or changes to site attributes. As such, currently there would be no other measurable way of determining communication as soon as practicable or whether the 1 business day rule has been met unless this initial contact is recorded. Further compliance with requirement is not captured in the Contract Register Spreadsheet.	Establish business process to ensure the initial contact made by a customer or contact made by LGP Pty Ltd to customer or WPN is better tracked where the contact is made via telephone or verbal in nature. This will assist in ensuring compliance with clause 4.5(2) of the Metering Code.	None	

2.4.4 Post Audit Implementation Plan

As stipulated in section 11.8 of the Audit & Review Guidelines (April 2014), the Audit Team notes that the Performance Audit Post Implementation Plan does not form part of the Audit Opinion. It is the responsibility of the licensee to ensure actions are undertaken. A post audit implementation will be submitted separately to this audit report by the Licensee if required.

APPENDIX 1

LANDFILL GAS & POWER PTY LTD PERFORMANCE AUDIT JULY 2018

REF*	LICENCE CONDITION	RELATED LEGISLATION	LEGISLATIVE/LICENCE REQUIREMENT	AUDIT PRIORITY	AUDITING FINDING ▪ RELATED DOCUMENTATION &/OR CONTROL SYSTEMS/AUDIT EVIDENCE → CORRECTIVE ACTION (CA) OPPORTUNITY FOR IMPROVEMENT	ADEQUACY OF CONTROLS	COMPLIANCE RATING
SECTION 8: TYPE 1 REPORTING REQUIREMENTS							
LANDFILL GAS & POWER PTY LTD DOES NOT HAVE ANY RESIDENTIAL CUSTOMERS THEREFORE OBLIGATIONS NOT APPLICABLE							
SECTION 9: ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - LICENCE CONDITIONS AND OBLIGATIONS							
6	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.2(2)	A retailer must submit a separate data request for each exit point unless otherwise agreed	5	Compliance is inherent in the Web Portal system design. The system only allows separate data requests. ▪ Web Portal system ▪ LGP Pty Ltd Personnel interviewed; - Management Accountant	A	1

7	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.4(1)	Unless otherwise agreed with a <i>network operator</i> , a <i>retailer</i> — (a) must submit a <i>data request</i> to the <i>network operator electronically</i> ; and (b) must not submit to a <i>network operator</i> in a <i>business day</i> — (i) more than 20 <i>requests for standing data</i> ; and (ii) more than 20 <i>requests for historical consumption data</i> .	5	Generally, the system control is the web portal only allows 20 requests for standing data and 20 requests for historical consumption data. An exception message will come back if greater than 20 requests (or the agreed amount) are made. The Web Portal acts as the only access for data. A review of the activity over the audit period indicates that there were no occasions during the audit period where bulk transfers were requested. Review Web Portal ▪ LGP Pty Ltd Personnel interviewed - Management Accountant	A	1
8	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.5(3) -	A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.	4	During the audit period there have been no request for historical consumption as such assessment of compliance with this required cannot be made. ▪ Review Web Portal ▪ LGP Pty Ltd Personnel interviewed - Management Accountant	NP	NR
9	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.6(2)	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a request for historical consumption data that has been subsequently withdrawn.	4	There have been no occurrences of costs incurred during the audit period. As such assessment of compliance with this requirement cannot be made. ▪ Review Web Portal ▪ LGP Pty Ltd Personnel interviewed	NP	NR

					- Management Accountant		
16	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.9(1)	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.	4	<p>New customers engaged during the audit period met the retailers obligations in regards to receipt of data i.e. data was used for quotation purposes only and the initiation of a transfer in relation to a contestable customer.</p> <ul style="list-style-type: none"> LGP Pty Ltd Personnel interviewed - Management Accountant 	A	1
17	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.9(2)	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	4	<p>During the audit period there have been no requests to not aggregate a contestable customer's historical consumption data. Data is aggregated as part of normal business procedures. As such this requirement has not been rated.</p> <ul style="list-style-type: none"> LGP Pty Ltd Personnel interviewed - Management Accountant 	NP	NR
18	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.9(3)	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.	4	<p>During the audit period the licensee has not disclosed a contestable customer's data.</p> <p>The organisation maintains copies of its customer's verifiable consent (VC) electronically. The organisation is aware of the requirement to maintain VC.</p>	NP	NR

					<ul style="list-style-type: none"> Customer Files LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Management Accountant 		
19	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 3.9(4)	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	4	<p>Copies of verifiable consent are maintained. It is noted that the organisation retains records for greater than the 2 year period, as yet no records have been archived or disposed. Records applicable prior to change in ownership of the organisation are available.</p> <p>Adequate systems are established for backing up and preservation of data.</p> <ul style="list-style-type: none"> LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Commercial Analyst - Remote Energy 	A	1
23	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.2(2)	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.	5	<p>Web portal only allows for singular submissions, compliance is inherent in system design.</p> <ul style="list-style-type: none"> Web Portal LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Management Accountant 	A	1
24	Electricity Industry (Licence	Electricity Industry Customer	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable	5	All reasons for transfers are recorded as part of Web Portal system control. The description of transfer is mandatory field	A	1

	Conditions) Regulations r 5(2)	Transfer Code clause 4.3	customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.		<p>i.e. drop down list "Erroneous Transfer"/"New Customer"</p> <p>Transfer types reviewed on Web Portal during audit period. There were no erroneous transfers observed under "Transfer Type".</p> <ul style="list-style-type: none"> ▪ Web Portal i.e. system controls ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 		
25	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.4(1)	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	5	<p>All transfers conducted on Web Portal. Confirmed LGP has a valid ETAC. Without which the organisation would not be able to submit customer transfer request forms through network operator's web portal.</p> <p>The CTR details are part of the CTR section of the Web Portal. If the access contract is not specified then Metering will not authorise and will contact the WP Account Manager to liaise for resolution.</p> <ul style="list-style-type: none"> ▪ ETAC ▪ Web Portal ▪ WP Liaison ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 	A	1

					- Commercial Analyst - Remote Energy		
26	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.4(2)	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	5	<p>All transfers conducted on Web Portal. During the audit period there were no erroneous transfers observed during the audit period under "Transfer Type". Review of web portal with the Management Accountant. As such this requirement cannot be rated.</p> <ul style="list-style-type: none"> ▪ Web Portal i.e. system controls ▪ LGP Pty Ltd Personnel interviewed - Management Accountant 	NP	NR
27	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.5(1)	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date	5	<p>All transfers are undertaken on Web Portal.</p> <p>Generally, the number of customer transfer requests is inherent in the system design. The web portal only allows 20 transfers per day.</p> <p>LGP personnel were all aware of limits, however, during the audit period there no instances where the system limit of 20 per day was required to be exceeded.</p> <ul style="list-style-type: none"> ▪ Web Portal ▪ LGP Pty Ltd Personnel interviewed - Management Accountant 	A	1

28	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.6(3)	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	4	There were no instances where a customer transfer request was withdrawn due to expiration of verifiable consent. <ul style="list-style-type: none"> Customer Files Verifiable Consent LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Management Accountant 	NP	NR
29	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.7	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.	5	Compliance is inherent in system design, date of transfer must be nominated to successfully submit transfer. Further, the web portal would automatically reject any nominated transfer dates that exceed the specified timeframes. There have been no erroneous transfers during the audit period. Web Portal was reviewed with the Management Accountant. <ul style="list-style-type: none"> Web Portal LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Management Accountant 	A	1
30	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.8(2)	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	4	During the audit period there were no instances where costs were incurred by the Network Operator as a result of the CTR being withdrawn. As such assessment of compliance with this requirement cannot be made. <ul style="list-style-type: none"> LGP Pty Ltd Personnel interviewed 	NP	NR

					- Management Accountant		
34	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	4	<p>The web portal is used for communicating revised transfer dates. Evidence of communication to revise nominated transfer dates during the audit period was observed. Web Portal</p> <ul style="list-style-type: none"> LGP Pty Ltd Personnel interviewed - Management Accountant 	A	1
39	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	4	<p>Once the CTR is completed with nominated transfer date, meter readings from the network operator are provided in half hour intervals on the nominated transfer date. In practice, contestable meters store data for 35 days and are generally read remotely.</p> <ul style="list-style-type: none"> Web Portal LGP Pty Ltd Personnel interviewed - Management Accountant 	A	1
40	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	5	LGP is currently operating under an ETAC negotiated in September 2010. The ETAC sighted has not been amended during the audit period. It has not been required to be amended as part of the sale to EDL, as the entity has not changed only the ownership.	NP	NR

					<ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Commercial Analyst - Remote Energy 		
43	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and the independent market operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.	5	<p>During the audit period there were no erroneous transfers. Reviewed web portal for Customers. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ Web Portal ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 	NP	NR
44	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 4.16	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	4	<p>The organisation maintains copies of verifiable consent on the customer files in electronic form on the server.</p> <p>Company Policy documents are retained. VC for previous owner available through records transferred with sale of business.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant - Commercial Analyst 	A	1
45	Electricity Industry (Licence Conditions)	Electricity Industry Customer Transfer Code clause 4.17	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	4	Confirmed through discussion with the Management Accountant that billing procedures do not allow the billing of a customer once they transfer to another retailer, primarily because the data is	A	1

	Regulations r 5(2)				<p>unavailable, billing is a manual process and customer base is small therefore the licensee has good knowledge regarding billing status. Customer bills were reviewed after transfer to ensure alignment of billing period. There were no erroneous transfers during the audit period. As such, assessment of compliance cannot be made.</p> <ul style="list-style-type: none"> ▪ Customer bills ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 		
48	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 5.2	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code.	4	<p>All transfers and data transactions are undertaken electronically through the web Portal and/or via email communication between Western Power Account Manager and LGP Personnel. No issues were identified.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant <p>Note: This obligation applied for the audit period 1/7/2014 to 31/10/2016.</p>	A	1
48A	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 6.1	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).	4	<p>Communication processes are established between Western Power and LGP Pty Ltd. No issues were identified. The licensee can receive and deliver notices in email, post and fax. Majority of notices are via electronic communication.</p>	A	1

					<ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed - Management Accountant 		
49	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates.	5	<p>Compliance is inherent in system design, specification of the NMI is a mandatory field.</p> <ul style="list-style-type: none"> ▪ Web Portal ▪ LGP Pty Ltd Personnel interviewed - Management Accountant 	A	1
52	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request	4	<p>Evidence of communication processes throughout the audit period. There has been no specific request for contact details. Assessment of compliance with this requirement could not be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed - Commercial Analyst - Remote Energy 	NP	NR
53	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 6.4(2)	A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.	4	<p>The licensee notified WPN of change in contact details. Email correspondence between WPN and EDL sighted regarding bank guarantee which includes provision of Western Power's contact details.</p> <ul style="list-style-type: none"> ▪ Email Communication ▪ LGP Pty Ltd Personnel interviewed 	NP	NR

					- Commercial Analyst - Remote Energy		
54	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 6.6	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.	4	<p>Web Portal design parameters ensure compliance with this requirement.</p> <ul style="list-style-type: none"> ▪ Web Portal ▪ LGP Pty Ltd Personnel interviewed - Management Accountant 	A	1
55	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 7.1(1)	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations in good faith.	4	<p>There have been no disputes in respect to a matter under or in connection with this requirement during the audit period. As such assessment of compliance with respect to meeting within 5 business days cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed - Management Accountant 	NP	NR
56	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 7.1(2)	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith	4	<p>There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed - Management Accountant 	NP	NR

57	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	4	There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made. ▪ LGP Pty Ltd Personnel interviewed - Management Accountant	NP	NR
58	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 7.2(4)	A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details	5	There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made. ▪ LGP Pty Ltd Personnel interviewed - Management Accountant	NP	NR
59	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code clause 7.3(2)	A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code	5	There have been no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with the Dispute Resolution requirement cannot be made. ▪ LGP Pty Ltd Personnel interviewed - Management Accountant	NP	NR
68*	Electricity Industry (Licence Conditions)	Electricity Industry Customer Transfer Code	A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic	5	The organisation has implemented processes to ensure key information and computer systems are backed up and retrievable	A	1

	Regulations r 5(2)	Annex 6 clause A6.2(a)	communications are made is operational 24 hours a day and 7 days a week.		<p>There were no known instances during the audit period where the LGP Pty Ltd systems were unavailable for any time and systems have not been restored from backup due to failure.</p> <p>During the audit period this obligation applied from 1/7/2014 to 31/10/2016.</p> <ul style="list-style-type: none"> LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Commercial Analyst - Remote Energy 		
69*	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.	5	<p>Correspondence between WP and LGP Pty Ltd is maintained in the Web Portal. Historical messages can be seen through the "view messages" function. Correspondence is tagged as either pending, completed or rejected, i.e. market transaction list.</p> <p>The 2004 version of the Customer Transfer Code Annex 6 A6.1 - Electronic Communications Protocol referred to email communication having automated response requirement. The revised (September 2016) Code deleted this requirement. As such this condition was only applicable until 20 September 2016.</p> <ul style="list-style-type: none"> Web Portal LGP Pty Ltd Personnel interviewed 	A	1

					- Management Accountant		
70*	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.6	The originator of an electronic communication must identify itself in the communication.	5	<p>The web portal has an automated process to ensure this is undertaken. A review of automated response messages confirmed that the electronic communication identified the originator (i.e. dependent on LGP Pty Ltd user, as each has own login profile) and templates are used to submit requests through the web portal.</p> <p>Standard email signatures and letter templates used for other communication.</p> <ul style="list-style-type: none"> ▪ Web Portal ▪ LGP Pty Ltd Personnel interviewed - Management Accountant <p>During the audit period this obligation applied from 1/7/2014 to 31/10/2016.</p>	A	1
71*	Electricity Industry (Licence Conditions) Regulations r 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.7	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.	5	<p>The Web Portal is used as a primary means of communication between WP and LGP Pty Ltd. The system application allows automatic transfer of data.</p> <ul style="list-style-type: none"> ▪ Web Portal ▪ LGP Pty Ltd Personnel interviewed ▪ Management Accountant 	A	1

***Note: Obligation then removed from Electricity Compliance Reporting Manual 31 October 2016 due to the removal of Annex 6.**

Section 11: Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations

REF 78-100 ALL NOT APPLICABLE AS LANDFILL GAS & POWER PTY LTD DOES NOT HAVE ANY CONTRACTED SMALL USE CUSTOMERS

SECTION 12: ELECTRICITY INDUSTRY ACT - LICENCE CONDITIONS AND OBLIGATIONS

101	Retail Licence condition 14.1	Electricity Industry Act section 13(1)	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	4	<p>The requirement for the audit is monitored by the Commercial Analyst - Remote Energy. Additionally it is raised in email communications and correspondence with the Secretariat, as well as being tracked in Share Point and the Contractual Obligations Register. This is the fourth retail licence audit for ERL11.</p> <ul style="list-style-type: none"> ▪ Share Point ▪ Contract Register ▪ ERA correspondence ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Commercial Analyst - Remote Energy 	A	1
105	Retail Licence condition 4.1	Electricity Industry Act section 17 (1)	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence i.e. 19 September each year	4	<p>Licence fees are due to be paid by the 30 July each year and were paid during the audit period as follows;</p> <ul style="list-style-type: none"> - ERA Invoice ERA 100174 (Issued on 13 June 2014) * 	B	1

				<p>- ERA Invoice ERA100348 (issued on 9 June 2015) *</p> <p>- ERA Invoice ERA 100789 (issued on 20 June 2016) and Paid 22/07/16</p> <p>- ERA Invoice ERA 101193 (issued on 12 June 2017) and Paid 30/06/17</p> <p>Note * As during previous ownership period of LGP, proof of payment not confirmed, however, subsequent Annual Compliance Reports did not report noncompliance and invoice stamped within due date timeframe.</p> <ul style="list-style-type: none"> ▪ Invoice issued by the Authority ▪ Record of Payment in accounts system ▪ Contract Register Monitoring Spreadsheet ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Commercial Analyst - Remote Energy <p>RECOMMENDATION 1/2018</p> <p>REF 105 – COMPLIANT (B1) → During the audit period the licence fees have been paid within the specified timeframe (i.e by the 30th July annually). It is noted that the licensee monitors this obligation in the Contract Register but not in Share Point. Although compliant during the audit period, consideration could be</p>		
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					given to capturing this obligation within Share Point as it is an automated system and to ensure ongoing compliance achieved.		
106	Retail Licence condition 5.1	Electricity Industry Act section 31 (3)	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	4	<p>In general, the supply of electricity is managed by WPN and is essentially outside the control Landfill Gas & Power. With regard to its retail licence LGP has no capacity to minimize 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>As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Commercial Analyst - Remote Energy 	NP	NR
107-111	Not Applicable as identified in the Audit Plan						
113	Retail Licence condition 5.1	Electricity Industry Act section 115(2)	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access	4	<p>During the audit period there has been no evidence of hindering or prohibiting access. There have been no complaints or issues in this regard noted during the audit period.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 	A	1

					- Commercial Analyst - Remote Energy		
SECTION 13: ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS							
114-118 &120	Not Applicable as identified in the Audit Plan						
119	Retail Licence condition 12.1	Electricity Industry Act section 11	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	4	<p>Prior to EDL's acquisition of LGP Pty Ltd, the LGP Pty Ltd special purpose financial reports have been prepared by third party accountants. Following the acquisition EDL prepares consolidated special purpose financial reports. All Financial Reports contain statement of compliance that the statements have been prepared in accordance with all Australian Accounting Standards and Interpretations.</p> <ul style="list-style-type: none"> ▪ Landfill Gas & Power Financial Statements YE 30 June 2015 ▪ Energy Developments Pty Ltd Financial Statements YE 30 June 2016 ▪ Energy Developments Pty Ltd Financial Statements 18 Month Period 31 December 2017 ▪ LGP Pty Ltd Personnel interviewed <p>- Commercial Analyst - Remote Energy</p>	A	1

121	Retail Licence condition 14.2	Electricity Industry Act section 11	A licensee must comply, and require its auditor to comply, with the Authority's standard audit & review guidelines dealing with the performance audit.	4	<p>Direct instructions from Licensee to Auditor to comply with the ERA guidelines.</p> <p>Copies of communications received from ERA relating to audit requirements sent by LGP Pty Ltd through to Auditor to convey requirements specifically the undertaking of audits in compliance with the Audit & Review Guidelines: Electricity, Gas and Water Licences.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Commercial Analyst - Remote Energy 	A	1
123	Retail Licence condition 15.1	Electricity Industry Act section 11	A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	4	<p>During the Audit Period LGP Pty Ltd was not under external administration and had not undergone any significant change in circumstances upon which the licence was granted, which may affect its ability to meet its licence obligations. As such there was no assessment with this requirement to report to the Authority was made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant - Commercial Analyst - Remote Energy 	NP	NR
124	Retail Licence condition 16.1	Electricity Industry Act section 11	A licensee must provide the Authority, in the manner prescribed, any information the	4	During the Audit Period the Licensee has provided the Authority information it	A	1

			Authority requires in connection with its functions under the Electricity Industry Act.		<p>required in connection with its functions under the Electricity Industry Act.</p> <p>Every licensee is required to submit a compliance report to the Authority covering all of its type 1 and type 2 licence obligations for each financial year (1 July to 30 June inclusive) by 31 August immediately following the year that is the subject of the report. During the audit period the reports were submitted;</p> <ul style="list-style-type: none"> - 2014 Report 17th July - 2015 Report 7th August - 2016 Report 26th August - 2017 Report on the 31st August <ul style="list-style-type: none"> ▪ Contract Register Spreadsheet ▪ Share Point ▪ LGP Pty Ltd Personnel interviewed - Commercial Analyst - Remote Energy 		
125	Retail Licence condition 17.1 & 17.2	Electricity Industry Act section 11	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified	4	<p>The Authority has not directed any information to be published during the audit period, as such, assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ Review ERA Website ▪ LGP Pty Ltd Personnel interviewed 	NP	NR

					- Commercial Analyst - Remote Energy		
126	Retail Licence condition 18.1	Electricity Industry Act section 11	Unless otherwise specified, all notices must be in writing.	4	<p>During the audit period notices received from the Authority have been in writing. Specific notices in relation to direction and communication are retained and have been reviewed as part of the audit.</p> <ul style="list-style-type: none">LGP Pty Ltd Personnel interviewed <p>- Commercial Analyst - Remote Energy</p>	A	1
SECTION 14: CODE OF CONDUCT- LICENCE CONDITIONS AND OBLIGATIONS							
129-315 Retail	Not Applicable as identified in the Audit Plan						
SECTION 15: ELECTRICITY INDUSTRY METERING CODE - LICENCE CONDITIONS AND OBLIGATIONS							
324	Retail Licence condition 5.1	Electricity Industry Metering Code clause 3.3B	A user who is aware of bi-directional flows at a metering point which was not previously subject to a bi-directional electricity flows or any changes in a customer's or user's circumstances in a metering point which will result in bi-directional electricity flows must notify the network operator within 2 business days.	4	<p>The Management Accountant confirmed that during the period 1 July 2014 to 30 June 2018 LGP liaised with WPN regarding requirements for metering points with bi-directional flows. A work instruction, WPN contact, and communication was sighted during the audit.</p> <ul style="list-style-type: none">Electricity Retailer Guidelines – Network connection of embedded generation systems (March 2018)Web Portal	A	1

					<ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed - Management Accountant 		
339	Retail Licence condition 5.1	Electricity Industry Metering Code clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	4	<p>WPN has primary responsibility for the management and monitoring of meters. Generally, customer queries or a review of billing data prior to issue will identify these anomalies. There were no outages or malfunctions identified during the audit period.</p> <p>However, the process for a customer query with regard to billing was reviewed during the audit and whilst it was well managed and due to the limited number of customers and small size of the organisation well communicated, the initial contact by the customer could be better tracked where the contact is via telephone and not email. The Licensee stated their normal process was to ensure that every phone query be followed up via email. This requirement is not documented. Discrepancies in data and as such potential outage or malfunction of meters can be identified through this avenue as customers may query accounts in relation to operational needs.</p> <ul style="list-style-type: none"> ▪ Review of communication with WPN ▪ Customer Accounts ▪ LGP Pty Ltd Personnel interviewed 	B	NR

					<p>- Management Accountant</p> <p>RECOMMENDATION 2/2018</p> <p>339 - CONTROLS IMPROVEMENT (BNR) → Establish a formalised business process to ensure the initial contact made by a customer or contact made by LGP Pty Ltd to customer or WPN is better tracked where the contact is made via telephone or verbal in nature. This will assist in ensuring compliance with clause 4.5(2) of the Metering Code.</p>		
364	Retail Licence condition 5.1	Electricity Industry Metering Code clause 3.27	A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.	4	<p>LGP Pty Ltd does not undertake the installation of meters. The licensee utilises WPN for meter installations.</p> <ul style="list-style-type: none"> ▪ ETAC ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Commercial Analyst - Remote Energy 	NP	NR
371	Retail Licence condition 5.1	Electricity Industry Metering Code clause 4.4(1)	If there is a discrepancy between energy data held in a metering installation and data held in the metering database, the affected Code participants and the network operator must liaise together to determine the most appropriate way to resolve a discrepancy.	5	<p>During the audit period there have been no identified discrepancies relating to energy data held in the metering database. The Management Accountant confirmed any customer queries were reviewed and substantiated.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 	NP	NR

372	Retail Licence condition 5.1	Electricity Industry Metering Code clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	5	<p>This is primarily the responsibility of WPN. However, LGP Pty Ltd may identify errors through internal review systems, customer enquiries, etc and will liaise with WPN.</p> <ul style="list-style-type: none"> LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Management Accountant 	A	1
373	Retail Licence condition 5.1	Electricity Industry Metering Code clause 4.5(2)	If a Code participant (other than a network operator) becomes aware of a change to or an inaccuracy in an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed i.e. 2 business days	4	<p>Regular discussions are held with WP account manager. Any queries regarding discrepancies on behalf of customers are followed up in a timely manner.</p> <p>Discussion with Management Accountant confirmed the procedure to submit queries to WPN for resolution. As previously detailed establishing procedures around recording initial contact will allow continued compliance with this requirement.</p> <ul style="list-style-type: none"> Review of communication with WPN LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Management Accountant <p>REFER RECOMMENDATION 2/2018</p>	B	1
388	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.4(2)	A user must, when reasonably requested by a network operator, use reasonable endeavours to assist the network operator to comply with the network operator's obligation under clause 5.4(1).	5	<p>WPN is responsible for the reading of the meters and they are primarily read remotely. LGP Pty Ltd work with WP in identifying data discrepancies and meter faults. No requests were received from Network Operator during the audit period.</p>	NP	NR

					<ul style="list-style-type: none"> Remote Reading of Meters LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Management Accountant 		
401	Not Applicable as identified in the Audit Plan						
402	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.17(1)	A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	4	<p>The licensee does not own meters. Under the Metering Code meters are the obligation of the Network Operator. LGP Pty Ltd is obligated to supply meter data to the customer on request and at no charge. There have been no requests for either energy data or standing data during the audit period.</p> <p>LGP Pty Ltd Personnel interviewed</p> <ul style="list-style-type: none"> Management Accountant 	NP	NR
405	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.18	A user that collects or receives information regarding a change in the energisation status of a metering point must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.	4	<p>LGP Pty Ltd does not collect or receive information regarding a change in the energisation status of a metering point. Western Power manages the status of metering points. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> LGP Pty Ltd Personnel interviewed Management Accountant 	NP	NR

406	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(1)	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere, and provide that information to the network operator.	5	There have been no requests to collect information. As such assessment of compliance with this requirement cannot be made. ▪ LGP Pty Ltd Personnel interviewed - Management Accountant	NP	NR
407	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(2)	A user must, to the extent that it is able, collect and maintain a record of the address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.	5	A review of Web Portal noted that all address, site and customer attributes are captured via predetermined fields and drop down menus. ▪ Web portal ▪ LGP Pty Ltd Personnel interviewed - Management Accountant	A	1
408	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(3)	Subject to subclauses 5.19(3A) and 5.19(6), the user must, within 1 business day after becoming aware of any change in an attribute described in subclause 5.19(2), notify the network operator of the change.	4	The Network Operator is responsible for connection points. The licensee was not aware of any changes to site attributes i.e. NMI of each connection point at the site. The licensee uses Western Power's service request form for new customers and liaises with the WPN for guidance on process requirements. Customer, site and address attributes may require updating in the following situations: i. on completion of a customer transfer to that user; ii. for a new connection where the customer details and access	B	NR

					<p>requirements are assigned to the new NMI;</p> <p>iii. when the customer moves out or moves in;</p> <p>LGP Pty Ltd procedure did not indicate awareness of the 1 business day rule.</p> <ul style="list-style-type: none"> LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> Management Accountant <p>RECOMMENDATION 2/2018</p> <p>REF 408 CONTROLS IMPROVEMENT (BNR) → Whilst this is NR during the audit period, to ensure ongoing compliance with the requirements the recommendations made in 339 regarding recording initial contact would capture any changes, as currently there would be no other measurable way of determining 1 business day rule has been met unless initial contact is recorded (Refer 339)</p>		
410	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(6)	The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user.	5	<p>It is understood that Western Power sends updates to Standing Data attributes, which the licensee receives without further correspondence to Western Power.</p> <p>As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> Review web portal 	NP	NR

					<ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 		
416	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.21(5)	A Code participant must not request a test or audit unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	4	<p>The licensee has not made requests outside the parameters of this obligation for tests of the metering system during the audit period on behalf of a customer. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 	NP	NR
417	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.21(6)	A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.	4	<p>Confirmed that during the audit period LGP Pty Ltd did not make any requests for audit or tests. As such, assessment of compliance with regards to inconsistency with the access agreement cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 	NP	NR
435	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.27	Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	4	<p>All compliance is performed via the Web Portal. Any requests received from WP would be actioned via Web Portal in a timely manner.</p> <p>Review of the Web Portal correspondence did not identify any requests for customer attribute information from WP during the audit period. As such assessment of</p>	NP	NR

					<p>compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ Review web portal ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 		
448	Retail Licence condition 5.1	Electricity Industry Metering Code clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	4	<p>Documentation, systems and external audit reports reviewed during the audit indicated compliance with this requirement. In addition, the licensee uses the Web Portal to make all metering transactions and as such complies with WPN rules, procedures, agreements and criteria prescribed.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant 	A	1
451	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	5	<p>WP has been notified of all communication details. Evidence of dialogue between the parties has been noted. LGP primarily use email but have verified ability for fax and postal communication which has been supplied to WP.</p> <ul style="list-style-type: none"> ▪ Review web portal ▪ Email communication ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Commercial Analyst – Remote Energy 	A	1

453	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.2(4)	A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.	4	WPN has made no requests for contact details during the audit period. Change of address notifications were made in accordance with requirements. <ul style="list-style-type: none">▪ LGP Pty Ltd Personnel interviewed<ul style="list-style-type: none">- Commercial Analyst – Remote Energy	NP	NR
454	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect.	4	During the audit period the Licensee has changed contact details with change in ownership. <ul style="list-style-type: none">▪ Evidence of communication was sighted during the audit▪ LGP Pty Ltd Personnel interviewed<ul style="list-style-type: none">- Commercial Analyst – Remote Energy	A	1
455	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.5	A Code participant must not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	4	There have been no instances of non compliance identified in relation to this requirement. <ul style="list-style-type: none">▪ LGP Pty Ltd Personnel interviewed<ul style="list-style-type: none">- Management Accountant- Commercial Analyst - Remote Energy	A	1
456	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	4	There was no information required to be disclosed during the audit period. <ul style="list-style-type: none">▪ LGP Pty Ltd Personnel interviewed	NP	NR

					<ul style="list-style-type: none"> - Management Accountant - Commercial Analyst - Remote Energy 		
457	Retail Licence condition 5.1	Electricity Industry Metering Code clause 8.1(1)	Representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute under or in connection with the Electricity Industry Metering Code by negotiations in good faith.	5	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed - Management Accountant - Commercial Analyst - Remote Energy 	NP	NR
458	Retail Licence condition 5.1	Electricity Industry Metering Code clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	5	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed - Management Accountant - Commercial Analyst - Remote Energy 	NP	NR
459	Retail Licence condition 5.1	Electricity Industry Metering Code clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	5	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed - Management Accountant 	NP	NR

					- Commercial Analyst - Remote Energy		
460	Retail Licence condition 5.1	Electricity Industry Metering Code clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	4	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant - Commercial Analyst - Remote Energy 	NP	NR
461	Retail Licence condition 5.1	Electricity Industry Metering Code clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective of dispute resolution with as little formality and technicality and with as much expedition as the requirements of Part 8 of the Code and a proper hearing and determination of the dispute, permit.	5	<p>There have been no disputes during the audit period. As such assessment of compliance with this requirement cannot be made.</p> <ul style="list-style-type: none"> ▪ LGP Pty Ltd Personnel interviewed <ul style="list-style-type: none"> - Management Accountant - Commercial Analyst - Remote Energy 	NP	NR

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