

Ord Hydro Pty Ltd

2018 Electricity Integrated Regional Licence (EIRL4) Performance audit

Report

January 2019



Deloitte Risk Advisory Pty Ltd
ACN 611 748 184
Brookfield Place, Tower 2
123 St Georges Terrace
Perth, WA, 6000
Australia

Phone: +61 8 9365 7000
www.deloitte.com.au

Dharmendra Kumar
Manager Risk and Assurance
Pacific Hydro Pty Ltd
Level 13, 700 Collins Street
Melbourne VIC 3008

25 January 2019

Dear Dharmendra

Ord Hydro Pty Ltd: 2018 EIRL4 Performance audit

We have completed the 2018 EIRL Performance audit for Ord Hydro Pty Ltd for the period 1 July 2014 to 30 June 2018 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 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Chartered Accountant
Partner, Deloitte Risk Advisory Pty Ltd

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The entity named herein is a legally separate and independent entity. In providing this document, the author only acts in the named capacity and does not act in any other capacity. Nothing in this document, nor any related attachments or communications or services, have any capacity to bind any other entity under the 'Deloitte' network of member firms (including those operating in Australia).

Liability limited by a scheme approved under Professional Standards Legislation.

© 2019 Deloitte Risk Advisory Pty Ltd. All rights reserved

Member of Deloitte Touche Tohmatsu Limited

Contents

1	Independent assurance practitioner's report	4
2	Executive summary	7
3	Summary of findings	12
4	Detailed findings, recommendations and action plans	16
5	Follow-up of previous audit non-compliances and recommendations	47
	Appendix A - Audit plan	49
	Appendix B - References	50
	Appendix C - Post audit implementation plan	52

1 Independent assurance practitioner's report

Qualified opinion

We have undertaken a reasonable assurance engagement on Ord Hydro Pty Ltd's (**Ord Hydro**) compliance, in all material respects, with its Electricity Integrated Retail Licence (EIRL4) (the **Licence**) as evaluated against the conditions within the Licence for the period from 1 July 2014 to 30 June 2018 for the purpose of reporting to the Economic Regulation Authority (the **ERA**).

In our opinion, except for the effects of the matters described in the Basis for qualified opinion paragraph below, Ord Hydro has complied, in all material respects, with the conditions within the Licence for the period from 1 July 2014 to 30 June 2018.

Basis for qualified opinion

During the period from 1 July 2014 to 30 June 2018, Ord Hydro did not comply with conditions within the Licence Conditions in the following instances:

Reporting Manual number and Licence obligation		Issue
124	A licensee must provide the ERA, in the manner prescribed, any information the ERA requires in connection with its functions under the Electricity Industry Act. <i>Licence condition 16.1</i>	Ord Hydro did not provide the ERA with the following information in the prescribed timeframes: <ul style="list-style-type: none"> 2014 and 2015 compliance reports were not submitted to the ERA until after the due date of 31 August each year 2016 licence standing charge data was not submitted to the ERA until after the due date of 30 September 2016.
386	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. <i>Electricity Industry Metering Code clause 5.4(1)</i>	During the period to June 2018, Ord Hydro did not have the required data validation process in place (applicable to all of its meters).
370	The standing data for a metering point must comprise at least the items specified. <i>Electricity Industry Metering Code clause 4.3(1)</i>	During the audit period, Ord Hydro did not maintain a number of the specified standing data items for metering points in its meter register.
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>Electricity Industry Metering Code clause 5.20(1)</i>	Ord Hydro did not develop a Data Verification Request Form until June 2018. The form was due to be developed by June 2013.
412	An Energy Data Verification Request Form must require a Code participant to provide the information prescribed. <i>Electricity Industry Metering Code clause 5.20(2)</i>	
448A	A network operator must as soon as practicable and in any event no later than 6 months after the date this Code applies to the network operator submit the following information to the ERA for its approval:	Ord Hydro has not yet developed and submitted the required information, which was due to be submitted to the ERA in June 2013.

Reporting Manual number and Licence obligation	Issue
<ul style="list-style-type: none"> • Proposed model service level agreement • Proposed metrology procedure • Proposed mandatory link criteria. <p><i>Electricity Industry Metering Code clause 6.2</i></p>	

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements (ASAE 3100)* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Ord Hydro's responsibilities for compliance with the conditions within the Licence

Ord Hydro is responsible for:

- (a) Compliance with the Licence as evaluated against the conditions within the Licence, for the period 1 July 2014 to 30 June 2018
- (b) Identifying risks that threaten the conditions within the Licence identified above being met
- (c) Identifying suitable compliance requirements as specified by the conditions within the Licence
- (d) Identifying, designing and implementing controls to enable the conditions within the Licence to be met and to monitor ongoing compliance.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Assurance practitioner's responsibilities

Our responsibility is to express an opinion on Ord Hydro's compliance, in all material respects, with the Licence as evaluated against the conditions within the Licence for the period from 1 July 2014 to 30 June 2018. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, Ord Hydro has complied, in all material respects, with the Licence as evaluated against the conditions within the Licence for the period from 1 July 2014 to 30 June 2018.

An assurance engagement to report on Ord Hydro's compliance with the Licence as evaluated against the conditions within the Licence involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the conditions within the Licence. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the Licence as evaluated against the conditions within the Licence.

Our procedures included the following:

- Utilising the April 2014 issue of the Audit and Review Guidelines: Electricity and Gas Licences and the July 2017 issue of the Electricity Compliance Reporting Manual (**Reporting Manual**) issued by the ERA as a guide for development of a risk assessment and document review to assess controls
- Development of an Audit Plan for approval by the ERA and an associated work program, set out in Appendix A
- Interviews with and representations from relevant Ord Hydro and Pacific Hydro 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.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement relating to the period from 1 July 2014 to 30 June 2018 does not provide assurance on whether compliance with the Licence will continue in the future.

Restricted use

This report has been prepared for use by Ord Hydro for the purpose of satisfying its obligation under section 13 of the Electricity Industry Act 2004. We disclaim any assumption of responsibility for any reliance on this report to any person other than Ord Hydro, or for any other purpose other than that for which it was prepared. We understand that a copy of the report will be provided to the ERA for the purpose of reporting on Ord Hydro's compliance with the Licence. We agree that a copy of this report will be given to the ERA in connection with this purpose, however we accept no responsibility to the ERA or to anyone who is provided with or obtains a copy of our report

[Redacted signature line]

[Redacted signature]

[Redacted signature]
Chartered Accountant
25 January 2019

2 Executive summary

2.1 Introduction and background

The Economic Regulation Authority (the **ERA**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued to Ord Hydro Pty Ltd (**Ord Hydro**) the Electricity Integrated Regional Licence (EIRL4) (the **Licence**).

The Licence relates to Ord Hydro's generation, transmission and retail activity in relation to its operation of a 30MW hydroelectric power station located in the Kimberley Region of Western Australia. Ord Hydro supplies power via its transmission network to the Argyle Diamond Mine and Horizon Power, which then distributes and retails power to customers in the township of Kununurra.

Section 13 of the Act requires Ord Hydro to provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA not less than once in every 24 month period (or any longer that the ERA allows). The ERA set the period to be covered by the performance audit as 1 July 2014 to 30 June 2018 (**audit period**).

At the request of Ord Hydro, Deloitte Risk Advisory Pty Ltd (**Deloitte**) has undertaken a reasonable assurance audit of Ord Hydro's compliance with its Licence. The audit has been conducted in accordance with the April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (the **Guidelines**). The reasonable assurance audit was undertaken in order to state whether, based on the procedures we have performed and the evidence we have obtained, Ord Hydro has complied, in all material respects, with the conditions within the Licence for the period from 1 July 2014 to 30 June 2018.

2.2 Observations

In considering Ord Hydro'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 Ord Hydro has:

- Established a register of compliance obligations relevant to its operations
- Maintained an internal compliance reporting process
- Recently addressed technical metering matters relating to its role as a network operator, which had previously been reported as minor non-compliances with the Metering Code. One additional matter raised by this audit requires formal resolution.

2.3 Findings

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

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

Table 1: Control adequacy and compliance 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

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

Table 2: 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	3	2	-	-	-	5
Priority 3	1	-	-	-	-	1
Priority 4	1	-	-	-	112	113
Priority 5	-	1	-	-	26	27
Total:	5	3	-	-	138	146

Table 3: Summary of findings, by audit priority and compliance rating

Audit Priority	Compliance rating				NR	Total
	1	2	3	4		
Priority 1	-	-	-	-	-	-
Priority 2	-	4	-	-	1	5
Priority 3	-	-	-	-	1	1
Priority 4	43	1	-	-	69	113
Priority 5	11	1	-	-	15	27
Total:	54	6	-	-	86	146

Note that, in accordance with the Guidelines:

- Obligations assessed as being “not applicable” to Ord Hydro’s operations have not been included within this report
- A control rating is only provided for those obligations with a Priority 1, 2 or 3 rating, where an obligation is assessed as non-compliant, or where a control improvement opportunity is identified.

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

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

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

2.4 Ord Hydro’s response to previous audit recommendations

This audit considered Ord Hydro’s progress in completing the action plans detailed in the 2014 performance audit report.

Based on our examination of relevant documents, discussion with staff and consideration of the results of our testing against the associated licence obligations, we determined that Ord Hydro has completed two of the three action plans detailed in the 2014 performance audit report. The third action plan was initiated, however this audit concluded that further work was required to close out the matter.

Refer to section 5 “Previous audit non-compliances and recommendations” for further detail.

2.5 Current audit non-compliances, recommendations and action plans

A. Resolved during current audit period

Reporting manual no. and Licence obligation ref	Non-compliance / Controls improvement (Rating / Details of non-compliance or inadequacy of controls)	Date resolved and management action taken	Auditor’s comments
Obligation 124 <i>Licence condition 16.1</i>	A2 In two instances during the audit period, Ord Hydro did not submit its compliance reports to the ERA by the due date of 31 August.	Resolved September 2016 Ord Hydro implemented the following process improvements to help manage its obligation to provide the ERA with information in the prescribed timeframes: <ul style="list-style-type: none"> • Staff education and reassigned compliance responsibilities • Documented due dates and requirements • Added Manager Risk and Compliance and Manager Electrical Engineering to ERA’s email distribution list. 	No further action required.
Obligation 386 <i>Metering Code clause 5.4(1)</i>	A2 Until June 2018, Ord Hydro did not have a data validation process in place.	Resolved June 2018 In June 2018, Ord Hydro implemented a monthly data validation process that encapsulates the validation process requirements of appendix 2 of the Code.	No further action required.
Obligation 411 and 412 <i>Metering Code clauses 5.20(1) and 5.20(2)</i>	A2 Until June 2018, Ord Hydro had not established an Energy Data Verification Request form.	Resolved June 2018 In June 2018, Ord Hydro established an Energy Data Verification Request form containing the communication rule requirements prescribed by section 5.20(1)(2) of the Code.	No further action required.

B. Unresolved at end of current audit period

Reporting manual no. and Licence obligation ref	Non-compliance / Controls improvement (Rating / Details of non-compliance or inadequacy of controls)	Date resolved and management action taken	Auditor's comments
Obligation 370 <i>Metering Code clause 4.3(1)</i>	<p>B2</p> <p>The 2014 Audit reported that Ord Hydro's meter register required improvement to address the requirements of clause 4.3(1) of the Code. Ord Hydro partially addressed this matter during the audit period by adding the following to its meter register:</p> <ul style="list-style-type: none"> Including some of the items specified by Code clause 4.3(1) in the registry Building in the 'Cross ref to WA Standing Data Requirements (The Ord) only' tab to capture compliance requirements. <p>However, at the time of this audit, the meter register had not been updated to address items 5, 17, 19-26, specified by clause 4.3(1), of the Code, nor had Ord Hydro provided an explanation for those items not being included.</p>	<p>Resolved October 2018</p> <p>In October 2018, Ord Hydro updated its meter register to accommodate the relevant items that are specified by clause 4.3(1) and provided further clarification on items that are not included due to not being applicable to its operations.</p>	No further action required.

Reporting manual no. and Licence obligation reference	Control adequacy	Issue 1/2018
<p>Obligation 448A</p> <p><i>Electricity Industry Metering Code clause 6.2</i></p> <p>A network operator must, as soon as practicable and in any event no later than 6 months after the date this Code applies to it, submit to the ERA for its approval the prescribed documents in subclauses 6.2(a)-(d).</p>	Generally adequate controls – improvement needed (B)	<p>In its role of a network operator, Ord Hydro has not complied with clause 6.2(a)-(d) of the Metering Code, which required the following documents to be submitted by June 2013 to the ERA for approval:</p> <ul style="list-style-type: none"> Proposed model service level agreement Proposed metrology procedure Proposed mandatory link criteria. <p>We acknowledge that there are no other users of Ord Hydro's transmission network and no foreseeable prospect of a request to use the network.</p> <p>Ord Hydro had understood that this obligation:</p> <ul style="list-style-type: none"> Was intended to apply to networks with multiple users and a large number of meters Is not practicable or necessary owing to: <ul style="list-style-type: none"> Power purchase agreements in place with its two customers address the customers' requirements There are no additional users on the network The small number of meters installed.
	Compliance rating	
	Non-compliant – minor impact on customers or third parties (2)	
<p>Recommendation 1/2018</p> <p>Ord Hydro formalise its position in relation to its approach for addressing the technical requirements of clause 6.2 of the Metering Code.</p>		<p>Action Plan 1/2018</p> <p>The Ord is granted a regional integrated licence which includes Metering Code obligations of a Generator, Network Provider and a Retailer. Whilst it has the integrated licence, the Ord operates purely as a Generator. It has two customers on its network whose relationship is governed by the Power Purchase Agreement (which pre-dates the Metering Code).</p> <p>The Ord will take a review of all metering (and other) obligations and identify those that apply to its business. It will closely work with the ERA to develop a position on obligations that do not apply to its operations.</p> <p>Responsible persons</p> <ul style="list-style-type: none"> Dharmendra Kumar Cesar Salvatierra <p>Target date</p> <p>June 2019</p>

2.6 Scope and objectives

As described in our letter of engagement with Ord Hydro, dated 20 August 2018, we have conducted a reasonable assurance audit in order to state whether, in our opinion, based on our procedures, Ord Hydro has complied, in all material respects, with the conditions of its Licence as outlined in the approved Audit Plan (dated August 2018) during the period 1 July 2014 to 30 June 2018.

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 Licences. 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 Licences. In making those risk assessments, we considered internal controls in relation to compliance with the conditions of the Licences.

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

The ERA 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 July 2017 Electricity Compliance Reporting Manual (**Reporting Manual**).

The Audit Plan approved by the ERA for this audit sets out Ord Hydro's Licence obligations confirmed to be included in the scope of the audit, along with the risk assessments and audit priority assigned to each licence obligation.

Revision to audit scope

Subsequent to the preparation of the Audit Plan, the audit scope was corrected to remove obligations 339 (*Electricity Industry Metering Code clause 3.11(3)*) and 401 (*Electricity Industry Metering Code clause 5.16*). In each instance, the clause relates to a user's obligations to a network operator. Ord Hydro operates as a network operator and does not operate as a user of any other network.

2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during the period August to early October 2018:

- Utilising the Guidelines and Reporting Manuals as a guide, developed a risk assessment, which involved discussions with key staff and document review to assess controls
- Developed an Audit Plan (see **Appendix A**) for approval by the ERA and an associated work program
- Interviewed relevant Ord Hydro staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Reviewed relevant documentation and walked through processes and controls to assess overall compliance and effectiveness in accordance with Licence obligations (see **Appendix B** for reference listing)
- Sample tested relevant obligations (assessed as an audit priority 3 or 2) and where there was relevant activity, determine whether transactions complied with the requirements of the obligation
- Reported findings to Ord Hydro for review and response.

3 Summary of findings

Table 1 in section 2 above sets out the rating scale defined by the ERA in the Audit Guidelines for the assessment of the level of compliance with the conditions of the Licences. For the highest possible compliance rating to be achieved, Ord Hydro was required to demonstrate it has maintained effective 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**).

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 Ord Hydro's operations for the period subject to audit - refer to the Audit Plan at Appendix A for further explanation.

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
11 Electricity Industry Act – Licence Conditions and Obligations												
101	Section 13(1)					✓	Priority 5	✓				
102	Section 14(1)(a)					✓	Priority 5	✓				
103	Section 14(1)(b)					✓	Priority 4					✓
104	Section 14(1)(c)					✓	Priority 5	✓				
105	Section 17(1)					✓	Priority 4	✓				
106	Section 31(3)					✓	Priority 5	✓				
107	Section 41(6)					✓	Priority 4					✓
112	Section 115(1)					✓	Priority 4					✓
113	Section 115(2)					✓	Priority 4					✓
12 Electricity Licences – Licence Conditions and Obligations												
119	Condition 12.1					✓	Priority 4	✓				
120	Condition 13.4					✓	Priority 4					✓
121	Condition 14.2					✓	Priority 4	✓				
122	Condition 20.5					✓	Priority 4	✓				
123	Condition 15.1					✓	Priority 4	✓				
124	Condition 16.1	✓					Priority 4		✓			
125	Condition 17.1 & 17.2					✓	Priority 4	✓				
126	Condition 18.1					✓	Priority 4	✓				
14 Electricity Industry Metering Code – Licence Conditions and Obligations												
Part 2 Code objectives and arms-length treatment												
317	Clause 2.2(1)(a)					✓	Priority 5					✓
318	Clause 2.2(1)(b)					✓	Priority 4					✓
Part 3 Meters and metering installations												
319	Clause 3.1					✓	Priority 4	✓				
320	Clause 3.2(1)					✓	Priority 4	✓				
321	Clause 3.3(1)					✓	Priority 4					✓
322	Clause 3.3(3)					✓	Priority 4					✓
323	Clause 3.3A(1)					✓	Priority 4	✓				
324	Clause 3.3B					✓	Priority 4					✓
325	Clause 3.3C					✓	Priority 4	✓				
326	Clause 3.5(1) and (2)					✓	Priority 4	✓				
327	Clause 3.5(3)					✓	Priority 4	✓				
328	Clause 3.5(4)					✓	Priority 4	✓				
329	Clause 3.5(6)					✓	Priority 4					✓

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
330	Clause 3.5(9)					✓	Priority 4						✓
331	Clause 3.7	✓					Priority 3						✓
332	Clause 3.8					✓	Priority 4	✓					
333	Clause 3.9(3)					✓	Priority 4	✓					
334	Clause 3.9(7)					✓	Priority 4						✓
335	Clause 3.9(9)					✓	Priority 4						✓
336	Clause 3.10					✓	Priority 4	✓					
337	Clause 3.11(1)					✓	Priority 4	✓					
338	Clause 3.11(2)					✓	Priority 4						✓
340	Clause 3.11A(1)					✓	Priority 4	✓					
341	Clause 3.11A(2)					✓	Priority 4	✓					
342	Clause 3.12(1)					✓	Priority 4	✓					
343	Clause 3.12(2)					✓	Priority 4	✓					
344	Clause 3.12(3)					✓	Priority 4	✓					
345	Clause 3.12(4)					✓	Priority 4	✓					
346	Clause 3.13(1)					✓	Priority 4	✓					
347	Clause 3.13(3)(c)					✓	Priority 4						✓
348	Clause 3.13(4)					✓	Priority 4	✓					
349	Clause 3.14(3)					✓	Priority 4	✓					
355	Clause 3.20(1)					✓	Priority 4						✓
356	Clause 3.20(3)					✓	Priority 4						✓
357	Clause 3.21(1)					✓	Priority 4						✓
358	Clause 3.21(2)					✓	Priority 4						✓
359	Clause 3.22					✓	Priority 4	✓					
362	Clause 3.24A(1)					✓	Priority 4						✓
363	Clause 3.24B(1)					✓	Priority 4						✓
364	Clause 3.27					✓	Priority 4						✓
365	Clause 3.29					✓	Priority 4						✓
Part 4 The metering database													
366	Clause 4.1(1)					✓	Priority 4	✓					
367	Clause 4.1(2)					✓	Priority 4	✓					
368	Clause 4.1(3)					✓	Priority 4	✓					
369	Clause 4.2(1)					✓	Priority 4	✓					
370	Clause 4.3(1)		✓				Priority 2		✓				
371	Clause 4.4(1)					✓	Priority 5	✓					
372	Clause 4.5(1)					✓	Priority 5	✓					
373	Clause 4.5(2)					✓	Priority 4						✓
374	Clause 4.6(1)					✓	Priority 4						✓
375	Clause 4.6(2)					✓	Priority 4						✓
376	Clause 4.7					✓	Priority 4						✓
379	Clause 4.8(4)(a)					✓	Priority 4	✓					
380	Clause 4.8(4)(b)					✓	Priority 4	✓					
381	Clause 4.8(5)					✓	Priority 4	✓					
382	Clause 4.9					✓	Priority 4	✓					
Part 5 Metering services													
383	Clause 5.1 (1)					✓	Priority 5						✓
384	Clause 5.1(2)					✓	Priority 5						✓
385	Clause 5.3					✓	Priority 4	✓					
386	Clause 5.4(1)	✓					Priority 2		✓				
387	Clause 5.4(1A)					✓	Priority 4	✓					
389	Clause 5.5(2)					✓	Priority 5						✓
390	Clause 5.5(2A)					✓	Priority 4						✓
391	Clause 5.6(1)					✓	Priority 5						✓

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
392	Clause 5.7					✓	Priority 4						✓
393	Clause 5.8					✓	Priority 4						✓
394	Clause 5.9					✓	Priority 4						✓
397	Clause 5.12(1)					✓	Priority 4						✓
398	Clause 5.13					✓	Priority 4						✓
399	Clause 5.14(3)					✓	Priority 4						✓
400	Clause 5.15					✓	Priority 4						✓
403	Clause 5.17A(1)					✓	Priority 4						✓
404	Clause 5.17A(3)					✓	Priority 4						✓
411	Clause 5.20(1)	✓					Priority 2		✓				
412	Clause 5.20(2)	✓					Priority 2		✓				
413	Clause 5.20(4)					✓	Priority 4						✓
414	Clause 5.21(2)					✓	Priority 4						✓
415	Clause 5.21(4)					✓	Priority 4						✓
418	Clause 5.21(8)					✓	Priority 4						✓
419	Clause 5.21(9)					✓	Priority 4						✓
420	Clause 5.21(11)					✓	Priority 4						✓
421	Clause 5.21(12)					✓	Priority 4						✓
422	Clause 5.22(1)					✓	Priority 4	✓					
423	Clause 5.22(2)					✓	Priority 4	✓					
424	Clause 5.22(3)					✓	Priority 4						✓
425	Clause 5.22(4)					✓	Priority 4						✓
426	Clause 5.22(5)					✓	Priority 4						✓
427	Clause 5.22(6)					✓	Priority 4						✓
428	Clause 5.23(1)					✓	Priority 4						✓
429	Clause 5.23(3)					✓	Priority 4						✓
430	Clause 5.24(1)					✓	Priority 4						✓
431	Clause 5.24(2)					✓	Priority 4						✓
432	Clause 5.24(3)					✓	Priority 4						✓
433	Clause 5.24(4)					✓	Priority 4						✓
434	Clause 5.25					✓	Priority 4						✓
441	Clause 5.37(1)(a)					✓	Priority 4						✓
442	Clause 5.37(1)(b)					✓	Priority 4						✓
443	Clause 5.37(1)(b)					✓	Priority 4						✓
444	Clause 5.37(2)					✓	Priority 4						✓
445	Clause 5.37(3)					✓	Priority 4						✓
446	Clause 5.38					✓	Priority 4						✓
Part 6 Documentation													
447	Clause 6.1(1)		✓				Priority 2						✓
448A	Clause 6.2		✓				Priority 5		✓				
448B	Clause 6.18					✓	Priority 5						✓
448C	Clause 6.19A(1)					✓	Priority 5						✓
448D	Clause 6.19B(1)					✓	Priority 5						✓
449	Clause 6.20(4)					✓	Priority 5						✓
450	Clause 6.20(5)					✓	Priority 4						✓
Part 7 Notes and confidential information													
451	Clause 7.2(1)					✓	Priority 4	✓					
452	Clause 7.2(2)					✓	Priority 4	✓					
455	Clause 7.5					✓	Priority 4	✓					
456	Clause 7.6(1)					✓	Priority 4						✓
Part 8 Dispute resolution													
457	Clause 8.1(1)					✓	Priority 5						✓
458	Clause 8.1(2)					✓	Priority 5						✓

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
459	Clause 8.1(3)					✓	Priority 5						✓
460	Clause 8.1(4)					✓	Priority 4						✓
461	Clause 8.3(2)					✓	Priority 5						✓
15 Electricity Industry (Network Quality and Reliability of Supply) Code – Licence Conditions and Obligations													
462	Clause 5(1)					✓	Priority 5	✓					
463	Clause 8					✓	Priority 5						✓
464	Clause 9					✓	Priority 5	✓					
465	Clause 10(1)					✓	Priority 5	✓					
466	Clause 10(2)					✓	Priority 5						✓
468	Clause 13(2)					✓	Priority 5	✓					
469	Clause 13(3)					✓	Priority 4	✓					
470	Clause 14(8)					✓	Priority 4						✓
471	Clause 15(2)					✓	Priority 4						✓
477	Clause 23(1)					✓	Priority 5	✓					
479	Clause 24(3)					✓	Priority 4						✓
480	Clause 24(4)					✓	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 Ord Hydro's compliance. The sections are:

- 4.1 Electricity Industry Act – Licence Conditions and Obligations
- 4.2 Electricity Licences – Licence Conditions and Obligations
- 4.3 Electricity Industry Metering Code – Licence Conditions and Obligations
- 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 Ord Hydro's compliance with the applicable obligations
- **Findings** – the auditor's understanding of the process and any issues that have been identified during the audit
- **Recommendations** – for improvement or enhancement of the process or control
- **Action plans** – Ord Hydro'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
4.1 Electricity Industry Act											
				9	9	5				4	9
4.2 Electricity Licences											
1				7	8	6	1			1	8
4.3 Electricity Industry Metering Code											
Part 2 Code objectives and arms-length treatment											
				2	2					2	2
Part 3 Meters and metering installations											
1				38	39	19				20	39
Part 4 The metering database											
	1			14	15	6	1			8	15
Part 5 Metering services											
3				42	45	6	3			36	45
Part 6 Documentation											
	2			5	7		1			6	7
Part 7 Notes and confidential information											
				4	4	3				1	4
Part 8 Dispute resolution											
				5	5					5	5
4.4 Electricity Industry (Network Quality & Reliability of Supply) Code											
				12	12	6				6	12

4.1 Electricity Industry Act – Licence Conditions and Obligations

No.	Obligation under Condition	Findings
101	A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months. <i>Electricity Industry Act section 13(1)</i>	In July 2018, with the ERA's approval, Ord Hydro appointed Deloitte as the independent auditor to undertake the performance audit for the period 1 July 2014 to 30 June 2018.
	Priority 5	
102	A licensee must provide for an asset management system. <i>Electricity Industry Act section 14(1)(a)</i>	<p>Through discussion with the Manager Risk and Assurance and examination of relevant documentation, we determined that Ord Hydro has:</p> <ul style="list-style-type: none"> • Provided for a functioning asset management system applicable to all of its operations. The 2018 Asset Management System (AMS) review reports on the effectiveness of Ord Hydro's Asset Management System for the period 1 July 2014 to 30 June 2018 • Ord Hydro maintains an Asset Management Plan, which explains the functions and elements of the AMS.
	Priority 5	
103	A licensee must notify details of the asset management system and any substantial changes to it to the ERA. <i>Electricity Industry Act section 14(1)(b)</i>	The Manager Risk and Assurance confirmed Ord Hydro has not made a substantial change to the asset management system since the ERA was last advised of the details of the system in accordance with section 14(1) of the Act.
	Priority 4	
104	A licensee must provide the ERA 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 ERA. <i>Electricity Industry Act section 14(1)(c)</i>	In July 2018, with the ERA's approval, Ord Hydro appointed Deloitte as the independent expert to undertake the Asset Management System review for the period 1 July 2014 to 30 June 2018.
	Priority 5	
105	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014. <i>Electricity Industry Act section 17(1)</i> <i>Economic Regulation Authority (Licensing Funding) Regulations 2014</i>	<p>Through examination of Ord Hydro's financial records of licence fee payments and the respective invoices issued by the ERA, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro has processes in place to manage the payment of its licence fees • For a sample of annual licence fees and quarterly licence charges selected for testing, Ord Hydro made the required payment in accordance with clauses 6, 7 and 8 of the Regulations.
	Priority 4	

No.	Obligation under Condition			Findings
106	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause. <i>Electricity Industry Act section 31(3)</i>			Through discussion with the Manager Risk and Assurance and examination of the continuity and restoration procedures in the respective Power Purchase Agreements (PPA) with Ord Hydro's customers, we determined that Ord Hydro has: <ul style="list-style-type: none"> • Appropriate mechanisms in place to minimise disruption to customers. Those mechanisms were executed during the audit period • Procedures in place to describe actions to be taken in an emergency.
	Priority 5	Controls rating: NP	Compliance Rating: 1	
107	A licensee must pay the costs of taking an interest in land or an easement over land. <i>Electricity Industry Act section 41(6)</i>			The Manager Risk and Assurance confirmed that, during the period 1 July 2014 to 30 June 2018, Ord Hydro had not acquired additional interest in land or an easement over land applicable to the Licence.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
112	In relation to network infrastructure facilities covered by the Code, the network service provider or an associate of the network service provider, must not hinder or prevent: <ul style="list-style-type: none"> • Access by any person to services under the Code; • The making of access agreements or other 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. <i>Electricity Industry Act section 115(1)</i>			Obligations 112 and 113 The Manager Risk and Assurance confirmed that, during the period 1 July 2014 to 30 June 2018: <ul style="list-style-type: none"> • Access to Ord Hydro's network (relating to the Licence) was governed by PPAs with its customers • There have been no additional requests for access to the network outside of the terms of the existing PPAs • Ord Hydro did not engage in conduct for the purpose of hindering or prohibiting access • Ord Hydro did not receive a complaint that related to Ord Hydro hindering or prohibiting access • Ord Hydro did not have access to services under an access agreement with another network operator.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
113	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 that hinders or prohibits access. <i>Electricity Industry Act section 115(2)</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	

4.2 Electricity Licenses – Licence Conditions and Obligations

No.	Obligation under Condition			Findings
119	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards. <i>Licence condition 12.1</i>			Through discussion with the Manager Risk and Assurance and examination of supporting documentation we determined that: <ul style="list-style-type: none"> The Pacific Hydro group reporting structure in which the licensee (Ord Hydro Pty Ltd) is a subsidiary, has maintained accounting records that comply with Australian Accounting Standards There are no significant accounting transactions or items that would currently jeopardise Ord Hydro's compliance with Australian Accounting Standards. Pacific Hydro's financial statements and signed annual audit reports were sighted for the years ending 31 December 2016 and 2017. The financial statements were unqualified.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
120	A licensee must comply with any individual performance standards prescribed by the ERA. <i>Licence condition 13.4</i>			The Manager Risk and Assurance confirmed that, during the audit period, Ord Hydro was not prescribed individual performance standards by the ERA.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
121	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines dealing with the performance audit. <i>Licence condition 14.2</i>			<i>Obligations 121 and 122</i> Through examination of Ord Hydro's 2014 Performance Audit and AMS Review reports, we determined that the reports contained specific reference to the audit and review being performed in accordance with the April 2014 <i>Audit Guidelines: Electricity and Gas Licences</i> .
	Priority 4	Controls rating: NP	Compliance Rating: 1	
122	A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the ERA's standard audit guidelines for an asset management system review. <i>Licence condition 20.5</i>			
	Priority 4	Controls rating: NP	Compliance Rating: 1	
123	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations. <i>Licence condition 15.1</i>			Through confirmation from the Manager Risk and Assurance and consideration of relevant documentation, we determined that: <ul style="list-style-type: none"> Ord Hydro was not placed under external administration during the audit period In February 2016, the State Power Investment Overseas Co. Ltd. of China acquired Pacific Hydro (including Ord Hydro) from Industry Funds Management and the ERA was notified in the change of ownership There were no other significant changes in circumstances that affected Ord Hydro's ability to meet its Licence obligations.
	Priority 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition			Findings
124	A licensee must provide the ERA, in the manner prescribed, any information the ERA requires in connection with its functions under the Electricity Industry Act. <i>Licence condition 16.1</i>			<p>Through examination of Ord Hydro's annual compliance reports submitted to the ERA, we determined that Ord Hydro did not provide the ERA with the following information in the prescribed timeframes:</p> <ul style="list-style-type: none"> 2014 and 2015 compliance reports were not submitted to the ERA until after the due date of 31 August each year 2016 licence standing charge data was not submitted to the ERA until after the due date of 30 September 2016. <p>In September 2016, Ord Hydro implemented the following process improvements to help manage its obligation to provide the ERA with information in the prescribed timeframes:</p> <ul style="list-style-type: none"> Staff education and reassigned compliance responsibilities Documented due dates and requirements Added Manager Risk and Compliance and Manager Electrical Engineering to the ERA's email distribution list. <p>As this matter was resolved during the audit period, no further action is required.</p>
		Priority 4	Control Rating: A	Compliance Rating: 2
125	A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified. <i>Licence condition 17.1 and 17.2</i>			<p>The Manager Risk and Assurance confirmed that other than the annual compliance reports and request for standing data described above, the ERA did not direct Ord Hydro to publish any other information during the audit period. We note that under section 28 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005, Ord Hydro is exempt from publishing an annual performance report each year as it is not permitted to contract small use customers under the Licence.</p>
		Priority 4	Controls rating: NP	Compliance Rating: 1
126	All notices must be in writing unless otherwise specified. <i>Licence condition 18.1</i>			<p>Through discussion with the Manager Risk and Assurance and examination of relevant communications we determined that Ord Hydro retains records of its formal (written) communications with the ERA, which are generally made via email.</p>
		Priority 4	Controls rating: NP	Compliance Rating: 1

4.3 Electricity Industry Metering Code

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>	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>	Priority 4	Controls rating: NP Compliance Rating: 1
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 4	Controls rating: NP Compliance Rating: 1
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>	Priority 4	Controls rating: NP Compliance Rating: NR

The Senior Operations Engineer confirmed that during the audit period Ord Hydro did not have any associate that are retailers, distributors, generators or users (collectively Code Participants) who had access to Ord Hydro's transmission network.

Obligations 319 and 320
Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements and relevant metering documents, we determined that:

- Ord Hydro's revenue meters are registered with the National Measurement Institute (**NMI**) and are designed to meet the specifications of the NMI under the National Measurement Act, including the requirements of measurement display
- Ord Hydro performs calibration testing every three years to ensure that its meters conform to the NMI requirements.

Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that although Ord Hydro's meters collect interval data, Ord Hydro categorises its meters as accumulation meters rather than interval meters.

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 Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that Ord Hydro's meters operate within internal communications systems and are not required to comply with telecommunications regulations.</p>	
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
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>	<p>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro has one meter capable of separately measuring and recording electricity flows in each direction • The remaining meters do not have bidirectional energy flows occurring at the metering point. 	
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
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>	<p>Through discussions with Senior Operations Engineer and examination of Ord Hydro's PPAs with ADM and Horizon Power we determined that during the audit period, Ord Hydro did not:</p> <ul style="list-style-type: none"> • Become aware of bi-directional electricity flow in a metering point within ADM and Horizon Power's network, which was not previously subject to bi-directional electricity flow • Receive any requests from users in relation to bi-directional flows at a metering point which was not previously subject to bi-directional electricity flows or any changes in a customer's circumstances in a metering point which will result in bi-directional electricity flows. 	
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
325	<p>An accumulation meter or an interval meter that separately measures and records bi-directional electricity flows at the metering point must record:</p> <ul style="list-style-type: none"> • 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><i>Metering Code clause 3.3C</i></p>	<p>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro's accumulation meter that has the capability to separately measure and record electricity flows in each direction records 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 • All such import and export energy data is captured within Ord Hydro's metering database. 	
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>

No.	Obligation under condition	Findings	
326	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. <i>Metering Code clause 3.5(1) and (2)</i>	<p><i>Obligations 326 and 327</i></p> <p>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro maintains meters for the six connection points within its network • The meter installations comply with the Type1-Type 4 functionality specifications • Ord Hydro maintains a schematic that displays the meters at the customer's switchyard • Ord Hydro's revenue meters are maintenance free and CT/VT transformers are tested on a 3 year basis as specified in the Customer PPAs • In accordance with the PPAs, Ord Hydro operate a three yearly calibration schedule for its revenue meters. In the interim period when meters are with the external contractors for calibration, check meters and SCADA readouts are used. 	
	Priority 4	Controls rating: NP	Compliance Rating: 1
327	For each metering installation on its network, a network operator must provide, install, operate and, subject to subclause 3.7(5), maintain the metering installation in the manner prescribed, unless otherwise agreed. <i>Metering Code clause 3.5(3)</i>	<p>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro's meters are located as close as practicable to the connection points within its network • Ord Hydro maintains a Single Line Diagram Schematic, which outlines the meters at the customer's switchyard. 	
	Priority 4	Controls rating: NP	Compliance Rating: 1
328	Except for a Type 7 metering installation, a network operator must ensure that 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. <i>Metering Code clause 3.5(4)</i>	<p>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro's PPAs with its customers do not provide for Ord Hydro to impose a charge for providing, installing, operating or maintaining its meters • Ord Hydro confirmed that it has not imposed such a charge during the period subject to audit. 	
	Priority 4	Controls rating: NP	Compliance Rating: 1
329	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. <i>Metering Code clause 3.5(6)</i>	<p>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro has not identified any of its meters to be non-compliant with the Metering Code. 	
	Priority 4	Controls rating: NP	Compliance Rating: NR
330	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. <i>Metering Code clause 3.5(9)</i>		
	Priority 4	Controls rating: NP	Compliance Rating: NR

No.	Obligation under condition	Findings	
331	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. <i>Metering Code clause 3.7</i>	Through discussion with the Senior Operations Engineer, inspection of site operations in Kununurra and consideration of Ord Hydro's arrangements for capturing data from its meters, we determined that Ord Hydro's meters are: <ul style="list-style-type: none"> • Not connected to a telecommunication network • Only electronically accessible through existing SCADA based communication channels (i.e. power line carrier communication or integrated services digital network). 	
	Priority 3		
332	Subject to clause 3.27, a network operator must ensure that each metering installation on its network is secured by devices or methods that hinder unauthorized access and enable unauthorized access to be detected, consistent with the standards of good electricity industry practice. <i>Metering Code clause 3.8</i>	<i>Obligations 332 and 333</i> Through discussion with the Senior Operations Engineer, inspection of site operations in Kununurra and consideration of Ord Hydro's metering arrangements, we determined that: <ul style="list-style-type: none"> • Ord Hydro's meters have been secured through physical and logical means to prevent and/or detect unauthorised access • Ord Hydro's meters are designed to meet the accuracy requirements for Revenue and Check meters 	
	Priority 4		
333	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. <i>Metering Code clause 3.9(3)</i>		
	Priority 4		
334	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. <i>Metering Code clause 3.9(7)</i>	During the audit period, Ord Hydro did not have any customers with annual consumption below 750MWh. Accordingly, Ord Hydro had no obligations under clause 3.9(7) of the Metering Code for the audit period.	
	Priority 4		
335	If compensation is carried out within the meter then the resultant metering system error must be as close as practicable to zero. <i>Metering Code clause 3.9(9)</i>	The Senior Operations Engineer confirmed no such compensation has been carried out within Ord Hydro's meters during the audit period.	
	Priority 4		

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 Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro's meters are designed to meet the specifications of the NMI under the National Measurement Act • Ord Hydro's revenue meters are maintenance free and subject to a three yearly calibration schedule, performed by an external contractor • Ord Hydro maintains all calibration records, which have evidenced minimal error occurring during the audit period • A metrology procedure has not been established for Ord Hydro's network. 			
	<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			
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 Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro has established procedures for checking metering data on a monthly basis, including cross referencing with hourly SCADA meter reads for any discrepancies • Ord Hydro's revenue meters are subject to a three yearly calibration schedule, with calibration performed by an external contractor • All metering data is recorded in accordance with PPA requirements • A service level agreement has not been established for the network. 			
	<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			
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 Senior Operations Engineer confirmed that Ord Hydro had not made repairs to its meters during the audit period.</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			
340	<p>A network operator must ensure that the meters on its network are systematically sampled and tested for accuracy in accordance with AS 1284.13.</p> <p><i>Metering Code clause 3.11A(1)</i></p>	<p><i>Obligations 340 to 344</i></p> <p>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro's revenue meters are maintenance free and in accordance with AS1284.13, are subject to a three yearly calibration schedule, with calibration performed by an external contractor 			
	<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			
341	<p>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.</p> <p><i>Metering Code clause 3.11A(2)</i></p>	<ul style="list-style-type: none"> • In the interim period when meters are with the external contractors for calibration, check meters and SCADA readouts are used • Isolation facilities are provided to facilitate meter testing and calibration • Ord Hydro had not identified any of its meters as failing during the audit period • Ord Hydro retains the results of calibration tests in its Computerised Maintenance Management System (CMMS) 			
	<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			
342	<p>A network operator must ensure that each metering installation complies with, at least, the prescribed design requirements.</p> <p><i>Metering Code clause 3.12(1)</i></p>	<ul style="list-style-type: none"> • There were no reported errors in the accuracy of Ord Hydro's meters during the audit period • Ord Hydro's meters are designed to meet the specifications of the NMI under the National Measurement Act 			
	<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
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>			<ul style="list-style-type: none"> • There have been no changes to the original metering installation design of the CT/VT transformers • As specified in the PPAs, the CT/VT transformers are the responsibility of Horizon Power and ADM, are tested on a three year basis and have been determined as compliant by the external contractor • A metrology procedure has not been established for Ord Hydro's network.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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 4	Controls rating: NP	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>			Through discussion with the Senior Operations Engineer and examination of relevant documentation, we determined that Ord Hydro maintains drawings and other technical specification documents in relation to metering installation arrangements in soft copy in the NEXO system.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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>			<i>Obligations 346 and 348</i> Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that: <ul style="list-style-type: none"> • Ord Hydro does not utilise partial check meters • Full check meters are installed for Ord Hydro's type 1 meters • CTs and VTs are in use for each check meter • The metering installations for CTs, VTs and check meters comply with the prescribed requirements.
	Priority 4	Controls rating: NP	Compliance Rating: 1	
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>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
348	A check metering installation for a metering point must comply with the prescribed requirements. <i>Metering Code clause 3.13(4)</i>			
	Priority 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under condition	Findings
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 Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that at the time of commissioning, Ord Hydro's CT and VT metering installations were designed in compliance with the accuracy requirements of the Metering Code.
	Priority 4	Controls rating: NP
355	If reasonably requested by a Code participant, a network operator must provide enhanced technology features in a metering installation. <i>Metering Code clause 3.20(1)</i>	The Senior Operations Engineer confirmed that Ord Hydro has not been requested by a Code participant to provide enhanced technology features in a metering installation during the audit period.
	Priority 4	Controls rating: NP
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 Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that: <ul style="list-style-type: none"> Ord Hydro's PPAs with its customers do not provide for Ord Hydro to impose a charge for providing, installing, operating or maintaining its meters Ord Hydro has not imposed such a charge during the audit period.
	Priority 4	Controls rating: NP
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>	The Senior Operations Engineer confirmed that that Ord Hydro's meters do not contain an internal real time clock.
	Priority 4	Controls rating: NP
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>	The Senior Operations Engineer confirmed that Ord Hydro does not use internal data loggers at the same site where meters have been installed.
	Priority 4	Controls rating: NP
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 Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that: <ul style="list-style-type: none"> During the audit period Ord Hydro held the required licence for using and accessing the basic metering software associated with its meters Ord Hydro staff are trained in setting the parameters of meters.
	Priority 4	Controls rating: NP

No.	Obligation under condition			Findings
362	If a retailer requests a network operator to install a pre-payment meter at a connection point, then the pre-payment meter must be sufficient to enable the retailer to comply with the retailer's obligations under the Code of Conduct. <i>Metering Code clause 3.24A(1)</i>			<p><i>Obligations 362 and 363</i></p> <p>The Senior Operations Engineer confirmed there were no instances where a request for a pre-payment meter was made during the audit period.</p>
	Priority 4	Controls rating: NP	Compliance Rating: NR	
363	If a retailer requests a network operator to replace a pre-payment meter at a connection point with a meter that is not a pre-payment meter, then the network operator must do so in accordance with this Code and the Code of Conduct. <i>Metering Code clause 3.24B(1)</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
364	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. <i>Metering Code clause 3.27</i>			The Senior Operations Engineer confirmed that no meters were installed on Ord Hydro's transmission network during the audit period.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
365	A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list. <i>Metering Code clause 3.29</i>			As Ord Hydro has not installed any new meters during the period subject to audit, there was no requirement to register a metering installation provider or publish an associated list.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
Part 4 The metering database				
366	A network operator must establish, maintain and administer a metering database containing, for each metering point on its network, standing data and energy data. <i>Metering Code clause 4.1(1)</i>			<p>Through discussion with the Senior Operations Engineer and examination of relevant data contained in the metering database, we determined:</p> <ul style="list-style-type: none"> • Ord Hydro maintains and administers standing data and energy data within two separate spreadsheets, for each metering point on its network • Energy data is recorded in the "Energy.xls" spreadsheet and standing data is recorded in the "Electrical Meters Summary Database".
	Priority 4	Controls rating: NP	Compliance Rating: 1	
367	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. <i>Metering Code clause 4.1(2)</i>			<p>Through discussion with the Senior Operations Engineer, consideration of Ord Hydro's metering arrangements and examination of IT Security Policy and password policy system parameters, we determined that Ord Hydro has the following processes in place to manage its metering database:</p> <ul style="list-style-type: none"> • Ord Hydro's building has physical security measures in place that was sighted as part of the auditors site visit • The metering database is stored on the network which is password protected.
	Priority 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under condition			Findings
368	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. <i>Metering Code clause 4.1(3)</i>			Through discussion with the Network Security Lead and examination of Ord Hydro's Disaster Recovery Plan (DRP), we determined that: <ul style="list-style-type: none"> The DRP exists for all IT infrastructure used by Ord Hydro Ord Hydro backs up the metering database every evening using its Melbourne office server, which allows Ord Hydro to recover the database should the DRP be activated There were no instances during the audit period when the DRP was activated for the purpose of rebuilding the metering database.
		Priority 4	Controls rating: NP	Compliance Rating: 1
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>			Through discussion with the Senior Operations Engineer and examination of relevant data maintained in the metering database, we determined that the database contains the minimum required information, as set out in 8.3.1 of the Market Rules.
		Priority 4	Controls rating: NP	Compliance Rating: 1
370	The standing data for a metering point must comprise at least the items specified. <i>Metering Code clause 4.3(1)</i>			Through discussion with the Senior Operations Engineer, examination of the previous Performance Audit report, Annual Compliance Reports to the ERA and examination of Ord Hydro's meter register we determined: <ul style="list-style-type: none"> The 2014 Audit reported that Ord Hydro's meter register required improvement to address the requirements of clause 4.3(1) of the Code. Ord Hydro partially addressed this matter during the audit period by adding the following to its meter register: <ul style="list-style-type: none"> Including some items specified by Code clause 4.3(1) in the registry Building in the 'Cross ref to WA Standing Data Requirements (The Ord) only' tab to capture compliance requirements. Ord Hydro had disclosed its meter register as non-compliant in its Annual Compliance reports to the ERA, for the 2014/15, 2015/16 and 2016/17 years However, at the time of this audit, the meter register had not been updated to address items 5, 17 and 19-26, specified by clause 4.3(1), of the Code, nor had Ord Hydro provided an explanation for those items not being included In October 2018, Ord Hydro further updated its meter register to accommodate the relevant items that are specified by clause 4.3(1) and provided further clarification on items that are not included due to not being applicable to its operations. <p>We note that Ord Hydro's PPAs with its two customers outline its metering obligations to those customers.</p>
		Priority 2	Controls rating: B	Compliance Rating: 2
	Recommendation Not applicable - no further action required.			Action Plan Not applicable - no further action required.

No.	Obligation under condition	Findings	
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 372</i></p> <p>Through discussion with the Senior Operations Engineer and examination of Ord Hydro's PPAs with ADM and Horizon Power (which defines Ord Hydro's obligations as a user), we determined that:</p> <ul style="list-style-type: none"> Any metering data discrepancies are managed in accordance with the PPAs There were no instances during the audit period where ADM and Horizon Power raised a query in relation to a discrepancy in energy data Ord Hydro understands its obligations not to permit ADM and Horizon Power's metering registry to be materially inaccurate, with access to the registry limited to site operators, Engineering Operations Services and Australian Operations Departments only <p>The Senior Operations Engineer confirmed that Ord Hydro has not knowingly permitted the registry to be materially inaccurate.</p>	
	Priority 5		
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 373 to 376</i></p> <p>The Senior Operations Engineer confirmed that during the audit period:</p> <ul style="list-style-type: none"> Ord Hydro had not become aware of any inaccuracy in an item of standing data in the metering registry ADM and Horizon Power had not made any notification to Ord Hydro, in relation to standing data. 	
	Priority 5		
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 373 to 376</i></p> <p>The Senior Operations Engineer confirmed that during the audit period:</p> <ul style="list-style-type: none"> Ord Hydro had not become aware of any inaccuracy in an item of standing data in the metering registry ADM and Horizon Power had not made any notification to Ord Hydro, in relation to standing data. 	
	Priority 4		
374	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. <i>Metering Code clause 4.6(1)</i>	<p><i>Obligations 373 to 376</i></p> <p>The Senior Operations Engineer confirmed that during the audit period:</p> <ul style="list-style-type: none"> Ord Hydro had not become aware of any inaccuracy in an item of standing data in the metering registry ADM and Horizon Power had not made any notification to Ord Hydro, in relation to standing data. 	
	Priority 4		
375	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. <i>Metering Code clause 4.6(2)</i>	<p><i>Obligations 373 to 376</i></p> <p>The Senior Operations Engineer confirmed that during the audit period:</p> <ul style="list-style-type: none"> Ord Hydro had not become aware of any inaccuracy in an item of standing data in the metering registry ADM and Horizon Power had not made any notification to Ord Hydro, in relation to standing data. 	
	Priority 4		

No.	Obligation under condition	Findings	
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>		
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
379	<p>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.</p> <p><i>Metering Code clause 4.8(4)(a)</i></p>	<p><i>Obligations 379 to 381</i></p> <p>Through discussion with the Network Security Lead, consideration of Ord Hydro's metering arrangements, examination of Ord Hydro's IT Security Policy and password policy system parameters and observation of Ord Hydro's Kununurra switchyard, we determined that Ord Hydro has the following processes in place to manage its metering database:</p>	
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
380	<p>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.</p> <p><i>Metering Code clause 4.8(4)(b)</i></p>	<ul style="list-style-type: none"> All meters have been secured through physical and logical means to prevent and/or detect unauthorised access Ord Hydro's building has physical security measures in place The metering database is stored on Ord Hydro's network drive, which is password protected. 	
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
381	<p>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.</p> <p><i>Metering Code clause 4.8(5)</i></p>		
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
382	<p>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.</p> <p><i>Metering Code clause 4.9</i></p>	<p>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> Ord Hydro maintain energy data in the spreadsheet "Energy.xls" The Energy.xls spreadsheet is designed to ensure that historical 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 Historic energy data readings are maintained in SCADA. 	
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>

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>The Senior Operations Engineer confirmed that during the audit period, no other retailers, distributors, generators or users (collectively Code Participants) had access to Ord Hydro's transmission network, or had an opportunity to obtain a metering service.</p>	
Priority 5	Controls rating: NP		
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>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Energy data collected from meters is recorded into the "Energy.xls" spreadsheet on the same day • An ADM representative reads the meter relevant to Ord Hydro's supply to ADM and provides the meter reading to Manager, Ord Hydro who verifies the read against SCADA data and enters the read into the Energy.xls" spreadsheet on the same day • All other meter readings are only performed by appointed Ord Hydro personnel • Actual meter readings are undertaken on a continuous basis and in 30 minute intervals • Ord Hydro's use of check meters accommodates the required energy data validation processes. 	
Priority 5	Controls rating: NP		
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>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Energy data collected from meters is recorded into the "Energy.xls" spreadsheet on the same day • An ADM representative reads the meter relevant to Ord Hydro's supply to ADM and provides the meter reading to Manager, Ord Hydro who verifies the read against SCADA data and enters the read into the Energy.xls" spreadsheet on the same day • All other meter readings are only performed by appointed Ord Hydro personnel • Actual meter readings are undertaken on a continuous basis and in 30 minute intervals • Ord Hydro's use of check meters accommodates the required energy data validation processes. 	
Priority 4	Controls rating: NP		

No.	Obligation under condition	Findings
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>The 2014 Audit reported that Ord Hydro had not established the required validation process. Ord Hydro subsequently disclosed its non-compliance with this requirement in its Annual Compliance reports to the ERA, for the 2014/15, 2015/16 and 2016/17 years.</p> <p>Through discussion with the Senior Operations Engineer and examination of the new validation processes established in June 2018, we confirmed that Ord Hydro addressed this non-compliance by implementing a monthly data validation process that encapsulates the validation process requirements of appendix 2 of the Code.</p> <p><i>No further action is required to address the non-compliance.</i></p>
	<p>Priority 2</p> <p>Controls rating: A</p> <p>Compliance Rating: 2</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>Through discussion with Senior Operations Engineer, we determined that Ord Hydro's processes provide for suitably skilled Ord Hydro representatives to personally conduct or validate all meter reads.</p>
	<p>Priority 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</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 Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Ord Hydro's PPAs with its customers do not provide for imposing a charge for providing energy data or standing data on request • Ord Hydro had not imposed such a charge during the audit period • No requests for energy data were made during the audit period.
	<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 Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> • Energy data, including validated, substituted or estimated data is provided to Ord Hydro's customers in accordance with the respective PPAs
	<p>Priority 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>	

No.	Obligation under condition			Findings
392	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. <i>Metering Code clause 5.7</i>			<ul style="list-style-type: none"> • There were no instances during the audit period where substituted or estimated energy data was provided to customers • As Ord Hydro's network is not part of the wholesale electricity market, Ord Hydro is not required to provide data to the IMO • During the audit period, no other users had access to Ord Hydro's transmission network. <p><i>Obligations 393, 394, 397 to 400</i></p> <p>Through discussion with the Senior Operations Engineer and consideration of Ord Hydro'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 Ord Hydro's customers in accordance with the respective PPAs • During the audit period: <ul style="list-style-type: none"> ○ No other users had access to Ord Hydro's transmission network ○ Ord Hydro had not received any requests for energy data, standing data or bulk standing data • As Ord Hydro's network is not part of the wholesale electricity market, Ord Hydro is not required to provide data to the IMO.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
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>			
	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>			
	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>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
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>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
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>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	

No.	Obligation under condition	Findings	
400	<p>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.</p> <p><i>Metering Code clause 5.15</i></p>		
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</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 Senior Operations Engineer confirmed that during the audit period, Ord Hydro did not receive any directions from a customer to provide data for a metering point from its metering database.</p>
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>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</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
411	<p>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.</p> <p><i>Metering Code clause 5.20(1)</i></p>		<p><i>Obligations 411 and 412</i></p> <p>The 2014 Audit reported that Ord Hydro had not established an Energy Data Verification Request Form. Ord Hydro subsequently disclosed its non-compliance with this requirement in its Annual Compliance reports to the ERA, for the 2014/15, 2015/16 and 2016/17 years.</p>
	<p>Priority 2</p>	<p>Controls rating: A</p>	<p>Compliance Rating: 2</p>
412	<p>An Energy Data Verification Request Form must require a Code participant to provide the information prescribed.</p> <p><i>Metering Code clause 5.20(2)</i></p>		<p>Through discussion with the Senior Operations Engineer and examination of Ord Hydro's Energy Data Verification Request form established in June 2018, we confirmed that the Energy Data Verification Request form contained the communication rule requirements prescribed by section 5.20(1) (2) of the Code.</p> <p>We note that Ord Hydro's PPAs with its two customers outline its metering obligations to those customers, including the provision of metering data.</p> <p><i>No further action is required to address the non-compliance.</i></p>
	<p>Priority 2</p>	<p>Controls rating: A</p>	<p>Compliance Rating: 2</p>
413	<p>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.</p> <p><i>Metering Code clause 5.20(4)</i></p>		<p>The Senior Operations Engineer confirmed that during the audit period, Ord Hydro did not receive any request for verification of energy data.</p>
	<p>Priority 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>

No.	Obligation under condition			Findings		
414	A network operator must comply with any reasonable request under subclause 5.21(1) <i>Metering Code clause 5.21(2)</i>	Priority 4	Controls rating: NP	Compliance Rating: NR	<p><i>Obligations 414 and 415</i></p> <p>The Senior Operations Engineer confirmed that during the audit period, Ord Hydro 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>	
	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
418		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. <i>Metering Code clause 5.21(8)</i>	Priority 4	Controls rating: NP		Compliance Rating: NR
	419	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. <i>Metering Code clause 5.21(9)</i>	Priority 4	Controls rating: NP		Compliance Rating: NR
420		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. <i>Metering Code clause 5.21(11)</i>	Priority 4	Controls rating: NP	Compliance Rating: NR	
	421	The original stored error correction data in a meter must not be altered except during accuracy testing and calibration of a metering installation. <i>Metering Code clause 5.21(12)</i>	Priority 4	Controls rating: NP	Compliance Rating: NR	

No.	Obligation under condition	Findings	
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 Senior Operations Engineer and consideration of Ord Hydro's metering processes and practices, we determined that:</p> <ul style="list-style-type: none"> Energy data is validated in accordance with the prescribed rules and procedures as set out in Appendix 2 of the Metering Code There was no instances during the audit period, where Ord Hydro was required to substitute or estimate energy data in line with the rules and procedures set out in Appendix 3 of the Metering Code If required, Ord Hydro is able to perform substitution meter reads using SCADA data, which complies with the prescribed rules and procedures set out in Appendix 3 of the Metering Code. 	
	Priority 4	Controls rating: NP	Compliance Rating: 1
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 Senior Operations Engineer and consideration of Ord Hydro's metering arrangements, we determined that:</p> <ul style="list-style-type: none"> Ord Hydro uses parallel check meters for each of its metering installations, which are Type 1 metering installations Ord Hydro's parallel check metering arrangements meet the requirements of clause 3.13(4) (b) of the Metering Code. 	
	Priority 4	Controls rating: NP	Compliance Rating: 1
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 Senior Operations Engineer confirmed that during the audit period, 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>	
	Priority 4	Controls rating: NP	Compliance Rating: NR
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 Senior Operations Engineer confirmed that during the audit period, there were no instances in which Ord Hydro detected a loss of energy data or incorrect energy data from a metering installation.</p>	
	Priority 4	Controls rating: NP	Compliance Rating: NR
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 Senior Operations Engineer confirmed that during the audit period, there were no instances in which substitution or estimation of energy data was required due to energy data being missing, unavailable or corrupted.</p>	
	Priority 4		
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>		
	Priority 4	Controls rating: NP	Compliance Rating: NR

No.	Obligation under condition	Findings			
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>				
	<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		
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>				
	<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>	<p><i>Obligations 430 to 434</i></p> <p>The Senior Operations Engineer confirmed that during the audit period, 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		
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			
	<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		
433	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. <i>Metering Code clause 5.24(4)</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
434	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. <i>Metering Code clause 5.25</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
441	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. <i>Metering Code clause 5.37(1)(a)</i>		<p><i>Obligations 441 to 446</i></p> <p>Through discussion with the Senior Operations Engineer and examination of Ord Hydro's metering operations, we determined that during the audit period, the requirements of Division 5.5 of the Metering Code were not relevant to Ord Hydro's network operations as Ord Hydro 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, Ord Hydro had no obligations under clauses 5.37 and 5.38 of the Metering Code for the audit period.</p>	
	Priority 4	Controls rating: NP		Compliance Rating: NR
442	A network operator must provide a copy of the report described in subclause 5.37(1) (a) to the Minister and the ERA not less than 5 business days before it is published under subclause 5.37(3). <i>Metering Code clause 5.37(1)(b)</i>			
	Priority 4	Controls rating: NP		Compliance Rating: NR
443	A network operator must publish the report described in subclause 5.37(1) within 3 months after the year ends. <i>Metering Code clause 5.37(1)(b)</i>			
	Priority 4	Controls rating: NP		Compliance Rating: NR
444	The report prepared by the network operator must include the information prescribed. <i>Metering Code clause 5.37(2)</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	
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>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	

No.	Obligation under condition	Findings	
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>		Ord Hydro 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 ERA for its approval. However, we note that as there are no other users of Ord Hydro's transmission network and no foreseeable prospect of a request to use the network, Ord Hydro's circumstances have not triggered the intent of the Metering Code for such documents to be prepared for the purpose of another user. However, Ord Hydro has not established a formal position on its approach for addressing the technical requirements of clause 6.2 of the Metering Code. Refer to Recommendation 1/2018 at obligation 448A below.
	Priority 2	Controls rating: B	Compliance Rating: NR
448A	A network operator must, as soon as practicable and in any event no later than 6 months after the date this Code applies to it, submit to the ERA for its approval the prescribed documents in subclauses 6.2(a)-(d). <i>Electricity Industry Metering Code clause 6.2</i>		In its role of a network operator, Ord Hydro has not complied with clause 6.2(a)-(d) of the Metering Code, which required the following documents to be submitted by June 2013 to the ERA for approval: <ul style="list-style-type: none"> Proposed model service level agreement Proposed metrology procedure Proposed mandatory link criteria. We acknowledge that there are no other users of Ord Hydro's transmission network and no foreseeable prospect of a request to use the network. Ord Hydro had understood that this obligation: <ul style="list-style-type: none"> Was intended to apply to networks with multiple users and a large number of meters Is not practicable or necessary owing to: <ul style="list-style-type: none"> Power purchase agreements in place with its two customers address the customers' requirements There are no additional users on the network The small number of meters installed on the network. We also note that as this obligation was added to the Reporting Manual during the audit period, the matter was not raised in the 2014 audit.
	Priority 5	Controls rating: B	Compliance rating: 2

No.	Obligation under condition	Findings			
	<p>Recommendation 1/2018</p> <p>Ord Hydro formalise its position in relation to its approach for addressing the technical requirements of clause 6.2 of the Metering Code.</p>	<p>Action Plan 1/2018</p> <p>The Ord is granted a regional integrated licence which includes Metering Code obligations of a Generator, Network Provider and a Retailer. Whilst it has the integrated licence, the Ord operates purely as a Generator. It has two customers on its network whose relationship is governed by the Power Purchase Agreement (which pre-dates the Metering Code).</p> <p>The Ord will take a review of all metering (and other) obligations and identify those that apply to its business. It will closely work with the ERA to develop a position on obligations that do not apply to its operations.</p> <p>Responsible persons</p> <ul style="list-style-type: none"> • Dharmendra Kumar • Cesar Salvatierra <p>Target date</p> <p>June 2019</p>			
448B	<p>A network operator must publish the document within 10 business days after notification of the ERA's approval under subclauses 6.13(1)(a)(i), 6.16 or 6.17.</p> <p><i>Electricity Industry Metering Code clause 6.18</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	<p><i>Obligations 448B to 448D</i></p> <p>During the audit period, Ord Hydro did not prepare any relevant document for submission or publication.</p>
Priority 5	Controls rating: NP	Compliance rating: NR			
448C	<p>A network operator must publish its communication rules as soon as practicable, and in any event within 6 months after the date this Code applies to it.</p> <p><i>Electricity Industry Metering Code clause 6.19A(1)</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			
448D	<p>Once communication rules have been published for a network under clause 6.19A, or amended under clause 6.21(3), the communication rules may only be amended thereafter in accordance with the communication rules made under subclause 6.7(1)(k) or clause 6.19C.</p> <p><i>Electricity Industry Metering Code clause 6.19B(1)</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			
449	<p>A network operator must amend any document in accordance with the ERA's final findings.</p> <p><i>Metering Code clause 6.20(4)</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	<p><i>Obligations 449 and 450</i></p> <p>During the audit period, Ord Hydro had not submitted a proposed model service level agreement, metrology procedure or mandatory link criteria to the ERA for its approval.</p>
Priority 5	Controls rating: NP	Compliance Rating: NR			

No.	Obligation under condition	Findings	
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
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 Manager Risk and Assurance and consideration of Ord Hydro's business practices, we determined that Ord Hydro maintains electronic, facsimile and voice communication channels commensurate with the expectations of a major business.
	Priority 4	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>		The Manager Risk and Assurance confirmed that Ord Hydro has not made any changes to its contact details during the audit period.
	Priority 4	Controls rating: NP	Compliance Rating: 1
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 Senior Operations Engineer and examination of Ord Hydro's customer PPAs, we determined that: <ul style="list-style-type: none"> • Ord Hydro is aware of its confidentiality requirements in its capacity as a network operator • Ord Hydro's customer PPAs (which govern Ord Hydro obligations as a network operator) contain detailed provisions on the management of confidential information • During the audit period, Ord Hydro was not required to disclose confidential information under a provision in the Metering Code.
	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
Part 8 Dispute resolution			
457	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. <i>Metering Code clause 8.1(1)</i>		<i>Obligations 457 to 461</i> For the purposes of the Metering Code, 'disputes' refers to metering disputes between Ord Hydro as a code participant and as a network operator, another retailer, another generator, another network operator, a user or the IMO. The Senior Operations Engineer confirmed that, during the audit period, Ord Hydro did not enter into a dispute in connection with the Metering Code.
	Priority 5	Controls rating: NP	Compliance Rating: NR

No.	Obligation under condition	Findings	
458	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. <i>Metering Code clause 8.1(2)</i>		
	Priority 5	Controls rating: NP	Compliance Rating: NR
459	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. <i>Metering Code clause 8.1(3)</i>		
	Priority 5	Controls rating: NP	Compliance Rating: NR
460	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. <i>Metering Code clause 8.1(4)</i>		
	Priority 4	Controls rating: NP	Compliance Rating: NR
461	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1). <i>Metering Code clause 8.3(2)</i>		
	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>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 5(1)</i>			<p><i>Obligations 462 to 469</i></p> <p>Through discussion with the Senior Operations Engineer; consideration of Ord Hydro's transmission network operations and its customer PPAs, we determined that during the audit period:</p> <ul style="list-style-type: none"> • Ord Hydro's customer PPAs: <ul style="list-style-type: none"> ○ Prescribe voltage fluctuation, harmonic and reliability requirements ○ Address the requirements of clause 13 of the Network Quality and Reliability of Supply Code in relation to the duration of interruptions. • There were no instances in which an alternate supply of electricity was viable in the event of a customer being affected by a proposed interruption • There were no occasions in which Ord Hydro was required to disconnect the supply of electricity to its customers' electrical installations. <p>The Senior Operations Engineer confirmed that during the audit period, Ord Hydro had ensured that as far as reasonably practicable, the supply of electricity to its:</p> <ul style="list-style-type: none"> • Customers' electrical installations complied with the prescribed standards of section 6(2) and 7 of the Code • Customers was maintained and the occurrence and duration of interruptions was kept to a minimum.
	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>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 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>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 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>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 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>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 10(2)</i>			
	Priority 5	Controls rating: NP	Compliance Rating: NR	

No.	Obligation under Condition	Findings	
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>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 13(2)</i>		
	Priority 5	Controls rating: NP	Compliance Rating: 1
469	The average total length of interruptions of supply is to be calculated using the specified method. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 13(3)</i>		
	Priority 4	Controls rating: NP	Compliance Rating: 1
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>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 14(8)</i>		The Senior Operations Engineer confirmed that during the audit period, no relevant instrument has been issued by the Minister.
	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>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 15(2)</i>		The Senior Operations Engineer confirmed that during the audit period, no provisions of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 have been excluded or modified by Ord Hydro.
	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>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 23(1)</i>		Through discussion with the Senior Operations Engineer and consideration of Ord Hydro's transmission network operations and its customer PPAs, we determined that during the audit period, Ord Hydro: <ul style="list-style-type: none"> Maintained power quality equipment installed across its network to monitor operations in accordance with clause 23 of the Code Monitored its network operations to as far as reasonably practicable, ensure compliance with the requirements of its customer PPAs and any additional requirement prescribed by the Code.
	Priority 5	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition			Findings
479	A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 24(3)</i>			<i>Obligations 479 and 480</i> The Senior Operations Engineer confirmed that during the audit period, there were no requests from a customer for Ord Hydro to complete a quality investigation.
	Priority 4	Controls rating: NP	Compliance Rating: NR	
480	A distributor or transmitter must report the results of an investigation to the customer concerned. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 24(4)</i>			
	Priority 4	Controls rating: NP	Compliance Rating: NR	

5 Follow-up of previous audit non-compliances and recommendations

The ratings provided are defined in accordance with the ERA's April 2014 issue of the Audit and Review Guidelines: Electricity and Gas Licences.

Ref	Legislative obligation	Rating	Details of the issue (taken from the 2014 Performance Audit Report)	Auditors' recommendation or action taken	Date resolved	Further action required
Resolved during current audit period						
Obligation 386	Electricity Industry Metering Code clause 5.4(1)	A2	Pacific hydro has confirmed that there is no data validation process in place. However, actual meter reading can be validated via the check meter energy data and SCADA data. (It should be noted that there are only 6 meters in the network and there is also partial check meters and SCADA data validation available.)	Ord Hydro implemented a monthly data validation process that encapsulates the validation process requirements of appendix 2 of the Code.	June 2018	No
Obligation 411 and 412	Electricity Industry Metering Code clause 5.20(1) and 5.20(2)	A2	Pacific hydro has confirmed that there is no Energy Data Verification Request Form.	Ord Hydro established an Energy Data Verification Request form containing the communication rule requirements prescribed by section 5.20(1)(2) of the Code.	June 2018	No
Unresolved during current audit period						
Obligation 370	Electricity Industry Metering Code clause 4.3(1)	B2	Pacific Hydro has confirmed that the standing data in the meter register does not fully comprise the items specified in the code. However, it includes most of the essential items related to the meter installations.	Ord Hydro partially addressed this matter during the audit period by adding the following to its meter register: <ul style="list-style-type: none"> o Including some of the items specified by Code clause 4.3(1) in the registry o Building in the 'Cross ref to WA Standing Data Requirements 	October 2018	No

Ref	Legislative obligation	Rating	Details of the issue (taken from the 2014 Performance Audit Report)	Auditors' recommendation or action taken	Date resolved	Further action required
				<p>(The Ord) only' tab to capture compliance requirements.</p> <p>However, at the time of this audit, the meter register had not been updated to address items 5, 17, 19-26, specified by clause 4.3(1), of the Code, nor had Ord Hydro provided an explanation for those items not being included.</p> <p>In October 2018, Ord Hydro updated its meter register to accommodate the relevant items that are specified by clause 4.3(1) and provided further clarification on items that are not included due to not being applicable to its operations.</p>		

Appendix A - Audit plan

Ord Hydro

2018 Electricity Integrated
Regional Licence (EIRL4)
Performance Audit

Audit Plan

August 2018

Contents

Introduction	3
Approach	7
Resources and team	11
Appendix 1 – Risk assessment key	12
Appendix 2 – Risk assessment	14
Appendix 3 – Previous audit recommendations	30

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The entity named herein is a legally separate and independent entity. In providing this document, the author only acts in the named capacity and does not act in any other capacity. Nothing in this document, nor any related attachments or communications or services, have any capacity to bind any other entity under the 'Deloitte' network of member firms (including those operating in Australia).

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

© 2018 Deloitte Risk Advisory Pty Ltd

Introduction

Overview

The Economic Regulation Authority (**the ERA**) has under the provisions of the Electricity Industry Act 2004 (**the Act**), issued to North Western Energy Pty Ltd, Pacific Hydro Group Two Pty Ltd & Energis Australia Pty Ltd (t/a Ord Hydro) (**Ord Hydro**) an Electricity Integrated Regional Licence No.4 (EIRL4) (**the Licence**).

Section 13 of the Act requires Ord Hydro to provide to the ERA a performance audit (**the audit**) conducted by an independent expert acceptable to the ERA not less than once in every 24 month period unless otherwise approved by the ERA. With the ERA's approval, Deloitte Risk Advisory Pty Ltd (**Deloitte**) has been appointed to conduct the audit for the period 1 July 2014 to 30 June 2018 (**audit period**).

The Licence relates to Ord Hydro's generation, transmission and retail activity in relation to its operation of a 30MW hydroelectric power station located in the Kimberley Region of Western Australia. Ord Hydro supplies power via its transmission network to the Argyle Diamond Mine and Horizon Power, which then distributes and retails power to customers in the township of Kununurra.

The audit will be conducted in accordance with the ERA's April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (**Audit Guidelines**). In accordance with the Audit Guidelines this document represents the Audit Plan (**the Plan**) that is to be agreed upon by Deloitte and Ord Hydro and presented to the ERA for approval.

Objective

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

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

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

Scope

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

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

The audit period is from 1 July 2014 to 30 June 2018.

Since Ord Hydro's previous EIRL performance audit in 2014, the Reporting Manual has undergone five revisions to reflect changes in electricity licensees' obligations. The revised versions of the Reporting Manual were issued in July 2014, September 2014, July 2016, October 2016 and July 2017.

This audit will use the July 2017 version of the Reporting Manual as the primary audit reference, particularly for the obligation numbering.

Table 1 below outlines the compliance requirements that apply to Ord Hydro's electricity operations during the period subject to audit. Where necessary, further explanation is provided to describe the obligation application. Note that due to Ord Hydro's current operating arrangements, a number of those obligations are not likely to be triggered during the period subject to audit. In such instances, the obligation remains applicable to the scope of this audit, with the audit report to identify and describe instances where an obligation cannot be assessed and rated. The assessment is made against the current (July 2017) Reporting Manual.

Table 1 – Application of legislative elements to Ord Hydro's electricity operations

Legislative element	Application to Ord Hydro's electricity operations
Type 1 reporting obligations for all licence types	<p>None of the nine Type 1 obligations are applicable to Ord Hydro's current operations as they relate to either:</p> <ul style="list-style-type: none"> • The Code of Conduct, which is designed to address standards of conduct in the supply and marketing of electricity to small use customers. The Licence specifically excludes Ord Hydro from supplying to small use customers • Obligations of distributors. Ord Hydro is not licenced as a distributor.
Electricity Industry Customer Transfer Code	<p>The 71 obligations under the Customer Transfer Code are designed to address requirements of network operators and retailers in the event of customers transferring between retailers.</p> <p>None of the 71 obligations are applicable to Ord Hydro for the audit period for the following reasons:</p> <ul style="list-style-type: none"> • The Licence excludes Ord Hydro from supplying to small use customers • Ord Hydro is the only retailer selling electricity through the relevant distribution and transmission system • Ord Hydro does not have access to another network for the purpose of supplying any new contestable customers.
Electricity Industry (Obligation to Connect) Regulations	<p>The six obligations are not applicable to Ord Hydro's operations as the Licence excludes Ord Hydro from supplying to small use customers.</p>
Electricity Industry (Customer Contracts) Regulations	<p>None of the 23 obligations are applicable to Ord Hydro's operations as the Licence excludes Ord Hydro from supplying to small use customers.</p>

Legislative element	Application to Ord Hydro's electricity operations
Electricity Industry Act	Nine of the 13 obligations are applicable to Ord Hydro's operations. The remaining four obligations are not applicable as the Licence excludes Ord Hydro from supplying to small use customers.
Electricity Licences – Licence Conditions and Obligations	8 of the 15 obligations are applicable to Ord Hydro's operations. The remaining seven obligations are not applicable as the Licence excludes Ord Hydro from supplying to small use customers.
Code of Conduct	None of the obligations are applicable to Ord Hydro for the audit period as the Licence excludes Ord Hydro from supplying to small use customers.
Electricity Industry Metering Code	119 of the 149 obligations are applicable to Ord Hydro's operations. The remaining obligations are not applicable to Ord Hydro's operations due to their application to: <ul style="list-style-type: none"> • Operations within the South West Interconnected System, which is not applicable to Ord Hydro's licenced areas • The Electricity Generation and Retail Corporation (Synergy) or Electricity Networks Corporation (Western Power) only • Small use customers (in relation to pre-payment meters). The Licence excludes Ord Hydro from supplying to small use customers • Users. For the purposes of the Code, Ord Hydro is not the participant of an access contract to connect to an electricity network.
Electricity Industry (Network Quality and Reliability of Supply) Code	12 of the 23 obligations are applicable to Ord Hydro's operations. The remaining 11 obligations are not applicable to Ord Hydro's operations as they relate to either: <ul style="list-style-type: none"> • Small use customers. The Licence excludes Ord Hydro from supplying to small use customers • Obligations of distributors. Ord Hydro is not licenced as a distributor.

Responsibility

Ord Hydro's responsibility for compliance with the conditions of the Licence

Ord Hydro is responsible for:

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

Deloitte's responsibility

Our responsibility is to express a conclusion on Ord Hydro's compliance with the conditions of the Licence based on our procedures. We will conduct our engagement in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3100 *Compliance Engagements*¹ issued by the Australian Auditing and Assurance Standards Board, to state whether, in our opinion, based on the procedures performed, the conditions of the Licence have been complied with. Our engagement will provide reasonable assurance as defined in ASAE 3100.

Limitations of use

Our report will be produced solely for the information and internal use of Ord Hydro, 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 our report.

We understand that a copy of our report will be provided to the ERA for the purpose of meeting Ord Hydro's reporting requirements of section 13 of the Act. We agree that a copy of our report may be provided to the ERA for its information in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report. We accept no duty, responsibility or liability to any party, other than Ord Hydro, in connection with the report or this engagement.

This plan is intended solely for the use of Ord Hydro for the purpose of its reporting requirements under section 13 of the Act.

Inherent limitations

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

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Accordingly, readers of our report should not rely on the report to identify all potential instances of non-compliance which may occur.

Independence

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

¹ Our engagement will be conducted in accordance with relevant requirements of ASAE 3100 *Compliance Engagements* and ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Approach

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

Risk assessment

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

The first step of the risk assessment is the rating of the potential consequences of Ord Hydro not complying with its licence obligations, in the absence of mitigating controls.

As the Reporting Manual is prescriptive in its criteria for classifying the consequences of non-compliance (refer to **Appendix 1-1**) the risk assessment applies the Reporting Manual's classifications for each obligation subject to audit.

Reference is also made to the consequence rating descriptions listed at Table 15 of the Audit Guidelines (refer to **Appendix 1-2**), providing the risk assessment with context to ensure the appropriate consequence rating is applied to each obligation subject to audit.

Once the consequence has been determined, the likelihood of Ord Hydro not complying with its obligations is assessed using the likelihood rating listed at Table 16 of the Audit Guidelines (refer to **Appendix 1-3**). The assessment of likelihood is based on the expected frequency of Ord Hydro's non-compliance with the relevant licence obligation over a period of time.

Table 2 below (sourced from Table 17 of the Audit Guidelines) outlines the combination of consequence and likelihood ratings to determine the level of inherent risk associated with each individual obligation.

Table 2: Inherent risk rating

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

Once the level of inherent risk has been determined, the adequacy of existing controls is assessed in order to determine the level of control risk. Controls are assessed and prioritised as weak, moderate or strong dependant on their suitability to mitigate the risks identified. The control adequacy ratings used by this risk assessment are aligned to the ratings listed at Table 19 of the Audit Guidelines (refer to **Appendix 1-4**). Once inherent risks and control risks are established, the audit priority can then be determined using the matrix listed at Table 20 of the Audit Guidelines (refer to **Table 3** below). Essentially, the higher the level of risk the more substantive testing is required.

Table 3: Assessment of Audit Priority

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

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

Table 4: Audit Priority Table

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

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

- Our understanding of Ord Hydro's operations, the WA electricity industry and related regulatory environment
- Consideration of annual compliance reports
- The results of the 2014 EIRL audit
- Ord Hydro's consideration of relevant circumstances and activity that trigger specific compliance obligations
- Any other factors that may have an effect on the level of risk or strength of controls.

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

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

System analysis/walkthrough

The systems analysis required will be determined utilising the audit priority scale outlined above. Once the priority level has been defined, the testing component will take place by way

of interviewing key operational and administrative staff who will outline information that displays compliance with the Licence requirements.

In performing this analysis/walkthrough, we will consider the following:

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

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

Testing/review

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

Control testing is performed for those licence obligations with an audit priority 3 and above (refer to table 4), and where there is relevant activity. This method of testing will involve:

- Understanding the population of transactions
- Selecting a sample of transactions to examine compliance with relevant sections of applicable Codes/Regulations
- Comparing the sample selected to expected requirements as mandated by relevant sections of applicable Codes/Regulations.

A full work program will be completed to record the specific aspects of our testing and analyses for each licence obligation. This work program will be based on:

- The audit priority determined by the risk assessment to be applicable each licence obligation
- The results of the systems analysis performed, as described above
- Deloitte's pre-determined sampling methodology, which takes account of the volume and frequency (e.g. daily, weekly, monthly, annual) of relevant transactions. Sample sizes typically range from 1 to 30, increasing with the volume and frequency of transactions
- The location of personnel and transactions to be tested.

Reporting

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

Table 5: Operational/performance compliance rating scale

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

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

- An executive summary containing all elements listed in section 11 of the Audit Guidelines
- Response to previous audit recommendations (refer to **Appendix 3**)
- Performance/compliance summary and rating for each licence condition – in tabular form
- Audit observations
- Where appropriate, recommendations on actions required to address areas of non-compliance.

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

Appendix 1 – Risk assessment key

1-1 Criteria for classification

Source: *Electricity Compliance Reporting Manual July 2017*

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

1-2 Consequence ratings

Source: Audit Guidelines: Electricity and Gas Licences April 2014

Rating	Examples of non-compliance		
	Supply quality and reliability	Consumer protection	Breaches of legislation or other licence conditions
Minor	Breaches of supply quality or reliability standards - affecting a small number of customers. Delays in providing a small proportion of new connections.	Customer complaints procedures not followed in a few instances. Small percentage of disconnections or reconnections not completed on time. Small percentage of bills not issued on time.	Legislative obligations or licence conditions not fully complied with, minor impact on customers or third parties. Compliance framework generally fit for purpose and operating effectively.
Moderate	Supply quality breach events that significantly impact customers; large number of customers affected and/or extended duration and/or damage to customer equipment. Supply interruptions affecting significant proportion of customers on the network for up to one day. Significant number of customers experiencing excessive number of interruptions per annum. Significant percentage of new connections not provided on time/ some customers experiencing extended delays.	Significant percentage of complaints not being correctly handled. Customers not receiving correct advice regarding financial hardship. Significant percentage of bills not issued on time. Ongoing instances of disconnections and reconnections not completed on time, remedial actions not being taken or proving ineffective. Instances of wrongful disconnection.	More widespread breaches of legislative obligations or licence conditions over time. Compliance framework requires improvement to meet minimum standards.
Major	Supply interruptions affecting significant proportion of customers on the network for more than one day. Majority of new connections not completed on time/ large number of customers experiencing extended delays.	Significant failure of one or more customer protection processes leading to ongoing breaches of standards. Ongoing instances of wrongful disconnection	Wilful breach of legislative obligation or licence condition. Widespread and/or ongoing breaches of legislative obligations or licence conditions. Compliance framework not fit for purpose, requires significant improvement.

1-3 Likelihood ratings

Source: Audit Guidelines: Electricity and Gas Licences 2014

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

1-4 Adequacy ratings for existing controls

Source: Audit Guidelines: Electricity and Gas Licences 2014

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

Appendix 2 – Risk assessment

Obligation numbers and references below are sourced from the July 2017 Reporting Manual.

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
8 Type 1 Reporting Obligations								
Obligations 234-238 and 257-258 are not applicable to Ord Hydro's activities for the period subject to audit, as the Licence excludes Ord Hydro from supplying to small use customers.								
9 Electricity Industry Customer Transfer Code – Licence Conditions and Obligations								
All obligations (1-71) are not applicable to Ord Hydro activities for the period subject to audit for the following reasons: <ul style="list-style-type: none"> The Licence excludes Ord Hydro from supplying to small use customers Under current arrangements, there is no practical possibility of a customer transfer. 								
10 Electricity Industry (Obligation to Connect) Regulations – Licence Conditions and Obligations								
Obligations 72-77 are not applicable to Ord Hydro's activities for the period subject to audit as the Licence excludes Ord Hydro from supplying to small use customers.								
11 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations								
All obligations (78-100) are not applicable to Ord Hydro's activities for the period subject to audit as the Licence excludes Ord Hydro from supplying to small use customers.								
12 Electricity Industry Act – Licence Conditions and Obligations								
Obligations 108-111 are not applicable to Ord Hydro's activities for the period subject to audit, as the Licence excludes Ord Hydro from supplying to small use customers.								
101	Electricity Industry Act section 13(1)	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	NR	Minor	Unlikely	Low	Strong	Priority 5
102	Electricity Industry Act section 14(1)(a)	A licensee must provide for an asset management system.	NR	Minor	Unlikely	Low	Moderate	Priority 5
103	Electricity Industry Act section 14(1)(b)	A licensee must notify details of the asset management system and any substantial changes to it to the Authority.	2	Moderate	Probable	Medium	Moderate	Priority 4
104	Electricity Industry Act section 14(1)(c)	A licensee must provide the Authority with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the Authority.	NR	Minor	Unlikely	Low	Strong	Priority 5
105	Electricity Industry Act section 17(1)	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	2	Moderate	Probable	Medium	Strong	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
106	Electricity Industry Act section 31(3)	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	NR	Minor	Probable	Low	Moderate	Priority 5
107	Electricity Industry Act section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	2	Moderate	Probable	Medium	Strong	Priority 4
112	Electricity Industry Act section 115(1)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
113	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 that hinders or prohibits access.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
12 Electricity Licences – Licence Conditions and Obligations								
Obligations 114-118 and 127-128 are not applicable to Ord Hydro's activities for the period subject to audit, as the Licence excludes Ord Hydro from distribution activities.								
119	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.	2	Moderate	Unlikely	Medium	Strong	Priority 4
120	Electricity Industry Act, section 11	A licensee must comply with any individual performance standards prescribed by the ERA.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
121	Electricity Industry Act, section 11	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines dealing with the performance audit.	2	Moderate	Unlikely	Medium	Strong	Priority 4
122	Electricity Industry Act, section 11	A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the ERA's standard audit guidelines for an asset management system review.	2	Moderate	Unlikely	Medium	Strong	Priority 4
123	Electricity Industry Act, section 11	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
124	Electricity Industry Act, section 11	A licensee must provide the ERA, in the manner prescribed, any information the ERA requires in connection with its functions under the Electricity Industry Act.	2	Moderate	Unlikely	Medium	Strong	Priority 4
125	Electricity Industry Act, section 11	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
126	Electricity Industry Act, section 11	Unless otherwise specified, all notices must be in writing.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
14 Code of Conduct – Licence Conditions and Obligations								
All obligations (129-316) are not applicable to Ord Hydro's activities for the period subject to audit as the Licence excludes Ord Hydro from supplying to small use customers.								
15 Electricity Industry Metering Code – Licence Conditions and Obligations								
The following obligations are not applicable to Ord Hydro's activities for the period subject to audit due to their application to:								
<ul style="list-style-type: none"> Operations within the South West Interconnected System, which is not applicable to Ord Hydro's licensed areas: obligations 350-353, 436 and 437 The Electricity Networks Corporation (Western Power) or the Electricity Generation and Retail Corporation (Synergy) only: obligations 354, 438-440 Activities relating to a user, which are not applicable to Ord Hydro's licence: obligations 360, 361, 377, 378, 388, 402, 405-410, 416-417, 435, 453-454 Supply to small use customers, which is not applicable to Ord Hydro's licence: obligations 395 and 396. 								
Part 2 Code objectives and arms-length treatment								
317	Clause 2.2(1)(a)	A network operator must treat all Code participants that are its associates on an arms-length basis.	NR	Minor	Unlikely	Low	Moderate	Priority 5
318	Clause 2.2(1)(b)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
Part 3 Meters and metering installations								
319	Electricity Industry Metering Code clause 3.1	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
320	Electricity Industry Metering Code clause 3.2(1)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
321	Electricity Industry Metering Code clause 3.3(1)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
322	Electricity Industry Metering Code clause 3.3(3)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
323	Electricity Industry Metering Code clause 3.3A(1)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
324	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
325	Electricity Industry Metering Code clause 3.3C	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
326	Electricity Industry Metering Code clause 3.5(1) and (2)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
327	Electricity Industry Metering Code clause 3.5(3)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
328	Electricity Industry Metering Code clause 3.5(4)	A network operator must ensure that, except for a Type 7 metering installation, the metering point for a revenue metering installation is located as close as practicable to the connection point in accordance with good electricity industry practice.	2	Moderate	Probable	Medium	Strong	Priority 4
329	Electricity Industry Metering Code clause 3.5(6)	A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.	2	Moderate	Probable	Medium	Strong	Priority 4
330	Electricity Industry Metering Code clause 3.5(9)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
331	Electricity Industry Metering Code clause 3.7	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.	2	Moderate	Probable	Medium	Weak	Priority 3
332	Electricity Industry Metering Code clause 3.8	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.	2	Moderate	Probable	Medium	Strong	Priority 4
333	Electricity Industry Metering Code clause 3.9(3)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
334	Electricity Industry Metering Code clause 3.9(7)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
335	Electricity Industry Metering Code clause 3.9(9)	If compensation is carried out within the meter then the resultant metering system error must be as close as practicable to zero.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
336	Electricity Industry Metering Code clause 3.10	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.	2	Moderate	Probable	Medium	Strong	Priority 4
337	Electricity Industry Metering Code clause 3.11(1)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
338	Electricity Industry Metering Code clause 3.11(2)	If an outage or malfunction occurs to a metering installation, the network operator must make repairs to the metering installation in accordance with the applicable service level agreement.	2	Moderate	Probable	Medium	Strong	Priority 4
339	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
340	Electricity Industry Metering Code clause 3.11A(1)	A network operator must ensure that the meters on its network are systematically sampled and tested for accuracy in accordance with AS 1284.13.	2	Moderate	Probable	Medium	Strong	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
341	Electricity Industry Metering Code clause 3.11A(2)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
342	Electricity Industry Metering Code clause 3.12(1)	A network operator must ensure that each metering installation complies with, at least, the prescribed design requirements.	2	Moderate	Probable	Medium	Strong	Priority 4
343	Electricity Industry Metering Code clause 3.12(2)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
344	Electricity Industry Metering Code clause 3.12(3)	A network operator must provide isolation facilities, to the standard of good electricity industry practice, to facilitate testing and calibration of the metering installation.	2	Moderate	Probable	Medium	Moderate	Priority 4
345	Electricity Industry Metering Code clause 3.12(4)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
346	Electricity Industry Metering Code clause 3.13(1)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
347	Electricity Industry Metering Code clause 3.13(3)(c)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
348	Electricity Industry Metering Code clause 3.13(4)	A check metering installation for a metering point must comply with the prescribed requirements.	2	Moderate	Probable	Medium	Strong	Priority 4
349	Electricity Industry Metering Code clause 3.14(3)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
355	Electricity Industry Metering Code clause 3.20(1)	A network operator must, if reasonably requested by a Code participant, provide enhanced technology features in a metering installation.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
356	Electricity Industry Metering Code clause 3.20(3)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
357	Electricity Industry Metering Code clause 3.21(1)	Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
358	Electricity Industry Metering Code clause 3.21(2)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
359	Electricity Industry Metering Code clause 3.22	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.	2	Moderate	Probable	Medium	Strong	Priority 4
362	Electricity Industry Metering Code, clause 3.24A(1)	If a retailer requests a network operator to install a pre-payment meter at a connection point, then the pre-payment meter must be sufficient to enable the retailer to comply with the retailer's obligations under the Code of Conduct.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
363	Electricity Industry Metering Code, clause 3.24B(1)	If a retailer requests a network operator to replace a pre-payment meter at a connection point with a meter that is not a pre-payment meter, then the network operator must do so in accordance with this Code and the Code of Conduct.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
364	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
365	Electricity Industry Metering Code clause 3.29	A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
Part 4 The metering database								
366	Electricity Industry Metering Code clause 4.1(1)	A network operator must establish, maintain and administer a metering database containing, for each metering point on its network, standing data and energy data.	2	Moderate	Probable	Medium	Moderate	Priority 4
367	Electricity Industry Metering Code clause 4.1(2)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
368	Electricity Industry Metering Code clause 4.1(3)	A network operator must prepare, and if applicable, must implement a disaster recovery plan to ensure that it is able, within 2 business days after the day of any disaster, to rebuild the metering database and provide energy data to Code participants.	2	Moderate	Probable	Medium	Strong	Priority 4
369	Electricity Industry Metering Code clause 4.2(1)	A network operator must ensure that its registry complies with the Code and the prescribed clause of the market rules.	2	Moderate	Probable	Medium	Moderate	Priority 4
370	Electricity Industry Metering Code clause 4.3(1)	The standing data for a metering point must comprise at least the items specified.	2	Moderate	Likely	High	Moderate	Priority 2
371	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
372	Electricity Industry Metering Code clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	NR	Minor	Unlikely	Low	Moderate	Priority 5
373	Electricity Industry Metering Code clause 4.5(2)	Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or an inaccuracy in, an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
374	Electricity Industry Metering Code clause 4.6(1)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
375	Electricity Industry Metering Code clause 4.6(2)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
376	Electricity Industry Metering Code clause 4.7	If standing data for a metering point is updated in the registry, the network operator must, within 2 business days after the update (or such other time as is specified in the applicable service level agreement) notify the update to the current user and each previous user, if the updated standing data relates to a period or periods when the previous user was the current user.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
379	Electricity Industry Metering Code clause 4.8(4)(a)	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	2	Moderate	Probable	Medium	Strong	Priority 4
380	Electricity Industry Metering Code clause 4.8(4)(b)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
381	Electricity Industry Metering Code clause 4.8(5)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
382	Electricity Industry Metering Code clause 4.9	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
Part 5 Metering Services								
383	Electricity Industry Metering Code clause 5.1 (1)	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
384	Electricity Industry Metering Code clause 5.1(2)	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
385	Electricity Industry Metering Code clause 5.3	A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database by no later than 2 business days after the date for the scheduled meter reading for the metering point (or such other time as is specified in the applicable service level agreement).	2	Moderate	Probable	Medium	Moderate	Priority 4
386	Electricity Industry Metering Code clause 5.4(1)	A network operator must, for each meter on its network, at least once in every 12 month period, undertake a meter reading that provides an actual value that passes the validation processes in Appendix 2.	2	Moderate	Likely	High	Moderate	Priority 2

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
387	Electricity Industry Metering Code clause 5.4(1A)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
389	Electricity Industry Metering Code clause 5.5(2)	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.	2	Minor	Unlikely	Low	Moderate	Priority 5
390	Electricity Industry Metering Code clause 5.5(2A)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
391	Electricity Industry Metering Code clause 5.6(1)	Subject to subclause 5.6(2), a network operator must provide validated, and where necessary, substituted or estimated energy data for a metering point to the user for the metering point and the IMO within the timeframes prescribed in subclause 5.6(1)(2).	2	Minor	Unlikely	Low	Moderate	Priority 5
392	Electricity Industry Metering Code clause 5.7	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
393	Electricity Industry Metering Code clause 5.8	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.	2	Moderate	Unlikely	Medium	Strong	Priority 4
394	Electricity Industry Metering Code clause 5.9	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.	2	Moderate	Unlikely	Medium	Strong	Priority 4
397	Electricity Industry Metering Code clause 5.12(1)	If a user gives a network operator an energy data request for a metering point in accordance with the communication rules and the energy data request relates only to a time or times for which the user was the current user at the metering point, then the a network operator must provide a user with a complete set of energy data for the a metering point within the timeframes prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
398	Electricity Industry Metering Code clause 5.13	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
399	Electricity Industry Metering Code clause 5.14(3)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
400	Electricity Industry Metering Code clause 5.15	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
401	Electricity Industry Metering Code clause 5.16	If a user collects or receives energy data from a metering installation then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	2	Moderate	Unlikely	Medium	Strong	Priority 4
403	Electricity Industry Metering Code clause 5.17A(1)	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).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
404	Electricity Industry Metering Code clause 5.17A(3)	A network operator must comply with a direction under subclause 5.17A(1) within the timeframes prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
411	Electricity Industry Metering Code clause 5.20(1)	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.	2	Moderate	Likely	High	Moderate	Priority 2
412	Electricity Industry Metering Code clause 5.20(2)	An Energy Data Verification Request Form must require a Code participant to provide the information prescribed.	2	Moderate	Likely	High	Moderate	Priority 2
413	Electricity Industry Metering Code clause 5.20(4)	If a Code participant requests verification of energy data under subclause 5.20(3), the network operator must, in accordance with the metrology procedure, subject to subclause 5.20(5), use reasonable endeavours to verify energy data and inform the requesting Code participant of the result of the verification and provide the verified energy data within the timeframes prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
414	Electricity Industry Metering Code clause 5.21(2)	A network operator must comply with any reasonable request under subclause 5.21(1)	2	Moderate	Unlikely	Medium	Strong	Priority 4
415	Electricity Industry Metering Code clause 5.21(4)	A test or audit under subclause 5.21(1) is to be conducted in accordance with the metrology procedure and the applicable service level agreement.	2	Moderate	Unlikely	Medium	Strong	Priority 4
418	Electricity Industry Metering Code clause 5.21(8)	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.	2	Moderate	Unlikely	Medium	Strong	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
419	Electricity Industry Metering Code clause 5.21(9)	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.	2	Moderate	Unlikely	Medium	Strong	Priority 4
420	Electricity Industry Metering Code clause 5.21(11)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
421	Electricity Industry Metering Code clause 5.21(12)	The original stored error correction data in a meter must not be altered except during accuracy testing and calibration of a metering installation.	2	Moderate	Probable	Medium	Moderate	Priority 4
422	Electricity Industry Metering Code clause 5.22(1)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
423	Electricity Industry Metering Code clause 5.22(2)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
424	Electricity Industry Metering Code clause 5.22(3)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
425	Electricity Industry Metering Code clause 5.22(4)	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.	2	Moderate	Unlikely	Medium	Strong	Priority 4
426	Electricity Industry Metering Code clause 5.22(5)	Substitution or estimation of energy data is required when energy data is missing, unavailable or corrupted, including in the circumstances described in this subclause.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
427	Electricity Industry Metering Code clause 5.22(6)	A network operator must review all validation failures before undertaking any substitution.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
428	Electricity Industry Metering Code clause 5.23(1)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
429	Electricity Industry Metering Code clause 5.23(3)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
430	Electricity Industry Metering Code clause 5.24(1)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
431	Electricity Industry Metering Code clause 5.24(2)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
432	Electricity Industry Metering Code clause 5.24(3)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
433	Electricity Industry Metering Code clause 5.24(4)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
434	Electricity Industry Metering Code clause 5.25	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
441	Electricity Industry Metering Code clause 5.37(1)(a)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
442	Electricity Industry Metering Code clause 5.37(1)(b)	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).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
443	Electricity Industry Metering Code clause 5.37(1)(b)	A network operator must publish the report described in subclause 5.37(1) within 3 months after the year ends.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
444	Electricity Industry Metering Code clause 5.37(2)	The report prepared by the network operator must include the information prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
445	Electricity Industry Metering Code clause 5.37(3)	For each relevant metering service, the information in subclause 5.37(2) must be reported separately for the specified classes of connection point.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
446	Electricity Industry Metering Code clause 5.38	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).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
Part 6 Documentation								
447	Clause 6.1(1)	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.	2	Moderate	Likely	High	Moderate	Priority 2
448 A	Clause 6.2	A network operator must, as soon as practicable and in any event no later than 6 months after the date this Code applies to it, submit to the ERA for its approval the prescribed documents in subclauses 6.2(a)-(d).	NR	Minor	Unlikely	Low	Moderate	Priority 5
448 B	Clause 6.18	A network operator must publish the document within 10 business days after notification of the ERA's approval under subclauses 6.13(1)(a)(i), 6.16 or 6.17.	NR	Minor	Unlikely	Low	Moderate	Priority 5
448 C	Electricity Industry Metering Code, clause 6.19A(1)	A network operator must publish its communication rules as soon as practicable, and in any event within 6 months after the date this Code applies to it.	NR	Minor	Unlikely	Low	Moderate	Priority 5
448 D	Electricity Industry Metering Code, clause 6.19B(1)	Once communication rules have been published for a network under clause 6.19A, or amended under clause 6.21(3), the communication rules may only be amended thereafter in accordance with the communication rules made under subclause 6.7(1)(k) or clause 6.19C.	NR	Minor	Unlikely	Low	Moderate	Priority 5
449	Clause 6.20(4)	A network operator must amend any document in accordance with the Authority's final findings.	NR	Minor	Unlikely	Low	Moderate	Priority 5
450	Clause 6.20(5)	The network operator must publish any document that has been amended under subclause 6.20(4).	2	Moderate	Probable	Medium	Moderate	Priority 4
Part 7 Notes and confidential information								
451	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.	NR	Moderate	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
452	Clause 7.2(2)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
455	Electricity Industry Metering Code, clause 7.5	A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	2	Moderate	Probable	Medium	Moderate	Priority 4
456	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
Part 8 Dispute resolution								
457	Clause 8.1(1)	If any dispute arises between any Code participants then (subject to subclause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.	NR	Minor	Unlikely	Low	Moderate	Priority 5
458	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
459	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
460	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
461	Clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	NR	Minor	Unlikely	Low	Moderate	Priority 5
15 Electricity Industry (Network Quality and Reliability of Supply) Code – Licence Conditions and Obligations								
Obligations 467, 472 – 476 and 481-485 are not applicable to Ord Hydro’s activities for the period subject to audit as the Licence excludes Ord Hydro from supplying to small use customers and engaging in distribution activities.								

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
462	Clause 5(1)	A distributor or transmitter must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards.	NR	Minor	Probable	Low	Strong	Priority 5
463	Clause 8	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.	NR	Minor	Probable	Low	Strong	Priority 5
464	Clause 9	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.	NR	Minor	Probable	Low	Moderate	Priority 5
465	Clause 10(1)	A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer.	NR	Minor	Probable	Low	Moderate	Priority 5
466	Clause 10(2)	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
468	Clause 13(2)	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
469	Clause 13(3)	The average total length of interruptions of supply is to be calculated using the specified method.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
470	Clause 14(8)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
471	Clause 15(2)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
477	Clause 23(1)	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.	NR	Minor	Probable	Low	Strong	Priority 5
479	Clause 24(3)	A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
480	Clause 24(4)	A distributor or transmitter must report the results of an investigation to the customer concerned.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 3 – Previous audit recommendations

The information for the below issues has been sourced from the 2014 Post Audit Implementation Plan.

<p>Issue 1/2014 <u>Obligation 391: Electricity Industry Metering Code clause 4.3(1)</u></p>	
<p>Recommendation 1/2014 It is recommended that Pacific Hydro modify the standing data in the existing meter register by including items specified in the code. This recommendation should be implemented in conjunction with reference no 387 to avoid rework.</p>	<p>Action Plan 1/2014 Modify standing data in the meter register by including items specified in the code.</p> <p>Responsible Person Executive Manager Operations)</p> <p>Target Date 31 December 2014</p>
<p>Issue 2/2014 <u>Obligation 407: Electricity Industry Metering Code clause 5.4(1)</u></p>	
<p>Recommendation 2/2014 It is recommended to Pacific Hydro that a standard data validation process be developed and undertake validation once in every 12 months to satisfy the requirements in Appendix 2 of the code.</p>	<p>Action Plan 2/2014 Develop a data validation process and update all relevant documentation. Nominate a responsible person to undertake data validation once in every 12 months.</p> <p>Responsible Person Executive Assistant Generation</p> <p>Target Date 30 June 2015</p>
<p>Issue 3/2014 <u>Obligation 432: Electricity Industry Metering Code clause 5.20(1)</u> <u>Obligation 433: Electricity Industry Metering Code clause 5.20(2)</u></p>	
<p>Recommendation 3/2014 It is recommended that Pacific Hydro develops Energy Data Verification Request Form in accordance with the communication rules and information prescribed by the section 5.20 (1) (2) of the code.</p>	<p>Action Plan 3/2014 Develop Energy Data Verification Request Form as per the section 5.20 (1) (2) of the code.</p> <p>Responsible Person Executive Assistant Generation</p> <p>Target Date 30 June 2015</p>

Appendix B - References

Ord Hydro staff participating in the audit

- Senior Operations Engineer
- Manager Electrical Engineering
- Metering Services Manager
- Manager Risk and Assurance
- Ord Hydro Manager

Deloitte staff participating in the audit

		Hours
• Hendri Mentz	Partner	4
• Andrew Baldwin	Specialist Leader, Regulatory Compliance	21
• Lyle Stewart	Analyst	82
• Vincent Snijders	Partner (Quality Assurance Review)	2

Key documents and other information sources examined

- Electricity Industry Act:
 - PHA ORD Asset Management Plan 2018
 - Asset Management System ISO 14001:2015 Certificate of Registration
 - ERA Payment Records
 - ERA Payment Invoices
 - Risk Management Framework
- Electricity Licences:
 - FY 2015/16 signed financial statements and annual audit report
 - AASB compliance confirmation
 - ERA Performance standards confirmations
 - ERA approval of 2018 AMS review plan
 - ERA approval of 2018 Performance audit
- Metering Code:
 - 02 E-003 Single Line Diagram
 - 02 E-004 Single Line Diagram
 - 04 E-003 Single Line Diagram
 - 05 E-001 Single Line Diagram
 - 05 E-004 Single Line Diagram
 - 05 E-005 Single Line Diagram
 - Network Schematic
 - KNX T1 Measurement Results
 - LATV Measurement Results
 - ADM Measurement Results
 - Energy Data Spreadsheet "Energy.xls"
 - Meter Register 'Electrical Meters Summary'
 - Energy Data Verification Request Form
 - Energy Data Verification Form Procedure

- NMI Registration Certificate
- Other Documents:
 - SECWA Horizon Power Purchase Agreement
 - ADM Power Purchase Agreement
 - Ord Hydro EIRL04 Licence
 - Annual Compliance Report FY15
 - Annual Compliance Report FY16
 - Annual Compliance Report FY17
 - Risk Management Framework
 - Maintenance Management Procedure
 - ORD IT Infrastructure
 - Pacific Hydro Australia IT Disaster Recovery Plan
 - Pacific Hydro HSE Incident Reporting
 - Ord Hydro Health and Safety Register
 - 2014 Ord Audit Recommendations action plan

Appendix C – Post audit implementation plan

<p>Issue 1/2018</p> <p>Obligation 448A: <i>Electricity Industry Metering Code clause 6.2</i></p> <p>In its role of a network operator, Ord Hydro has not complied with clause 6.2(a)-(d) of the Metering Code, which required the following documents to be submitted by June 2013 to the ERA for approval:</p> <ul style="list-style-type: none"> • Proposed model service level agreement • Proposed metrology procedure • Proposed mandatory link criteria. <p>We acknowledge that there are no other users of Ord Hydro’s transmission network and no foreseeable prospect of a request to use the network.</p> <p>Ord Hydro had understood that this obligation:</p> <ul style="list-style-type: none"> • Was intended to apply to networks with multiple users and a large number of meters • Is not practicable or necessary owing to: <ul style="list-style-type: none"> ○ Power purchase agreements in place with its two customers address the customers’ requirements ○ There are no additional users on the network ○ The small number of meters installed on the network. 	
<p>Recommendation 1/2018</p> <p>Ord Hydro formalise its position in relation to its approach for addressing the technical requirements of clause 6.2 of the Metering Code.</p>	<p>Action Plan 1/2018</p> <p>The Ord is granted a regional integrated licence which includes Metering Code obligations of a Generator, Network Provider and a Retailer. Whilst it has the integrated licence, the Ord operates purely as a Generator. It has two customers on its network whose relationship is governed by the Power Purchase Agreement (which pre-dates the Metering Code).</p> <p>The Ord will take a review of all metering (and other) obligations and identify those that apply to its business. It will closely work with the ERA to develop a position on obligations that do not apply to its operations.</p> <p>Responsible persons</p> <ul style="list-style-type: none"> • Dharmendra Kumar • Cesar Salvatierra <p>Target date</p> <p>June 2019</p>