

# 2020 – Post Audit Implementation Plan



Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
1/2020	<p><b>Non Compliance</b> <b>Rating:</b> C/NR</p> <p><b>Legislative Obligation:</b> 124 - A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.</p> <p><b>Details:</b> Through enquiries with the Customer Services Process Manager, we noted Horizon Power are required to annually prepare and submit a Performance Report and Compliance Report to the ERA.</p> <p><i>Compliance Report</i></p> <p>The Compliance Report is updated throughout the reporting year as breaches are identified. Horizon Power utilise their CURA system to automate reminders to the Customer Services Process Manager to submit the Annual Compliance Report to the ERA. The report contains the following information as specified by the ERA in the Electricity Compliance Reporting Manual:</p> <ul style="list-style-type: none"> <li>Confirmation that Horizon Power has complied with all applicable Type 1 and 2 licence obligations during the period, other than those specifically referred to in Schedule A of the report; and</li> </ul>	<p>Horizon Power to ensure supporting system reports generated at a point in time for the compilation of annual performance datasheets as well as reconciliation workings are properly maintained for the purpose of maintaining an audit trail.</p>	<p><b>Details:</b> Horizon Power is comfortable it has met its compliance obligations for reporting. The issues noted and control improvement required relates to ensuring data used for annual performance reporting is retained and stored in a format that can be readily extracted and audited (given data changes over time). Since the end of the audit period, Horizon Power has put significant effort into modifying systems and developing reports to meet new obligations for point in time data verification and reconciliation for the purpose of maintaining an audit trail. These control improvements have now been implemented. No further action.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Due Date:</b> Completed in April 2020.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<ul style="list-style-type: none"> <li>• Identified any Type 1 or Type 2 licence obligations that have been breached during the period and provided details of:               <ul style="list-style-type: none"> <li>○ The licence obligation that has been breached;</li> <li>○ The nature and extent of the breach;</li> <li>○ The impact of the breach including the number of customers and other licensees affected;</li> <li>○ The reasons for the breach;</li> <li>○ The actions that the licensee has taken to rectify the breach;</li> <li>○ The actions taken by the licensee to prevent recurrence of the breach; and</li> <li>○ The date the licensee has, or expects to, comply again fully with the licence obligation that has been breached.</li> </ul> </li> </ul> <p>Sample testing was conducted over two Compliance Reports from the period and noted they contained the information as specified by the ERA, complying with the obligation requirements. Both were approved by the Chief Executive Officer and submitted prior to 31 August in their respective years.</p> <p><i>Performance Report</i></p> <p>Each year, the ERA will provide Horizon Power the information required to be submitted via the following templates:</p> <ul style="list-style-type: none"> <li>• Electricity Compliance Manual Datasheet (the "Retail Datasheet");</li> <li>• Electricity Licence Reporting Datasheets – Distribution ("Distribution Datasheet"); and</li> <li>• Electricity Licence Reporting Datasheets – Network Quality and Reliability Code ("Network Quality and Reliability Datasheet").</li> </ul> <p>The Customer Services Process Manager is responsible for compiling the data in these Datasheets and will submit these to the ERA prior to 30 September each year. The Distribution and Network Quality and Reliability Datasheets are compiled by other areas of the business, utilising data stored in Velocity and mData21 to provide figures against each indicator. We obtained the Distribution Datasheets for the audit period and confirmed they were submitted using the template provided and prior to the due date required, complying with the obligation requirements.</p> <p>The Retail Datasheet is prepared by the Customer Services Process Manager with support from the Retail Systems Analyst. Data is extracted from Velocity and reviewed against each indicator. Once compiled, the Retail Datasheet is submitted to the ERA prior to 30 September. We obtained the Retail datasheets for the audit period and confirmed they were submitted using the template provided and prior to the due date required, complying with the obligation requirements.</p>		

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<p>A walkthrough was conducted with the Customer Services Process Manager and Retail Systems Analyst and noted the following process was taken to prepare the data for the indicators in relation to Customer Bill Debt and Financial Hardship:</p> <ul style="list-style-type: none"> <li>• <i>Customer Bill Debt</i> <ul style="list-style-type: none"> <li>○ The Retail Systems Analyst will extract a listing of all customers with debt over 90 days from Velocity on 1 July each year.</li> <li>○ The accounts will be reviewed, and those customers who appear to be classified as Financial Hardship will be excluded.</li> <li>○ The data indicators will be prepared using this listing.</li> <li>○ Note: Customer bill debt data can only be extracted at a real-time position. As debt constantly changes due to new bills being released or amounts being paid, we could not extract the same data to complete sample validation. The supporting customer debt data used was not saved by the Horizon Power team at the time of the Retail Datasheet preparation.</li> </ul> </li> <li>• <i>Financial Hardship</i> <ul style="list-style-type: none"> <li>○ For the 2018/19 reporting year, the Retail Systems Analyst extracted two lists from Velocity; customers with bill debt over 90 days and customers with the Financial Hardship indicator flag present on the account from 30 June. The Financial Hardship Indicator flag was introduced in January 2019, therefore could only be used for half the reporting year.</li> <li>○ The Customer bill debt data followed the same process as above, however, those customers that did not appear to be on Financial Hardship are excluded.</li> <li>○ The Financial Hardship data is extracted into a table with the customer account number, flag start date, flag end date, creation date and time of the hardship identifier and the customer's Energy Bill Debt.</li> <li>○ The Financial Hardship data table does not require cleansing, however the two data sets have to be matched to firstly calculate the total debt amount between duplicate entries and secondly, those duplicates were then removed from the data.</li> <li>○ The data indicators are then prepared using this combined listing.</li> <li>○ Note: Due to the process taken above, we could not complete the validation testing as it required analysis of accounts in debt at time of extraction, and as aforementioned, the data was not saved by the Horizon Power team at the time of the Retail Datasheet preparation.</li> </ul> </li> </ul> <p>The introduction of the Financial Hardship flag within Velocity from January 2019 will assist the Retail Systems Analyst in preparing the Retail Datasheet for upcoming financial years.</p>		

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<p>However, this process could be further improved by storing the data used to compile the Customer Bill Debt within CS16 in order to support future performance audits.</p> <p>Sample testing was attempted over the following performance indicators, however due to the source data not being saved at the time of compiling the report, this could not be reperformed:</p> <p><i>Energy Bill Debt</i></p> <ul style="list-style-type: none"> <li>● Total number of residential customers (excluding hardship customers) repaying an energy bill debt as at 30 June.</li> <li>● Average amount of energy bill debt for residential customers (excluding hardship customers) as at 30 June.</li> <li>● Average amount of energy bill debt for business customers as at 30 June.</li> <li>● Total number of residential customers (excluding hardship customers) with energy bill debt that is over \$2,500 as at 30 June.</li> <li>● Total number of residential customers (excluding hardship customers) who were subject to an instalment plan as at 30 June.</li> <li>● Total number of residential customers (excluding hardship customers) who, during the reporting year, had their instalment plan cancelled by the retailer for non-payment.</li> </ul> <p><i>Hardship customers</i></p> <ul style="list-style-type: none"> <li>● Total number of residential customers on a retailer's hardship program as at 30 June.</li> <li>● Average energy bill debt of hardship customers as at 30 June.</li> <li>● Average energy bill debt (as at the time of entering the hardship program) for those hardship customers who entered the hardship program during the reporting year.</li> <li>● Total number of hardship customers who entered the hardship program during the reporting year, with an energy bill debt (as at the time of entering the hardship program) that was \$2,500 or more.</li> <li>● Total number of hardship customers who were subject to an instalment plan (excluding those who make their payment plan payments using Centrepay) as at 30 June.</li> <li>● Total number of residential customers who exited the hardship program during the reporting year.</li> <li>● Total number of residential customers who exited the hardship program during the reporting year, because they successfully completed the hardship program or exited the program by agreement with the retailer.</li> </ul>		

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<ul style="list-style-type: none"> <li>• Total number of residential customers who exited the hardship program during the reporting year, because they were excluded or removed from the hardship program for non-compliance.</li> <li>• Total number of residential customers who successfully completed the hardship program, or exited by agreement with the retailer, during the reporting year or the previous reporting year, and who were subsequently disconnected during the reporting year for non-payment.</li> </ul> <p>Based on enquiries, examination of documentation, walkthroughs, and sample testing, it was concluded that there were inadequate controls with significant improvement needed, however due to the source data not being saved at the time of compiling the report, this could not be reperformed, therefore the obligation cannot be rated.</p>		
2/2020	<p><b>Non Compliance</b> <b>Rating:</b> B/2</p> <p><b>Legislative Obligation:</b> 135 - Subject to subclause 2.3(3), a retailer or electricity marketing agent must obtain the customer's verifiable consent that the specified information in subclause 2.3(2) and 2.3(4), as applicable, has been provided.</p> <p><b>Details:</b> Through enquiries with the Retail Services Manager and examination of the NSC call script, we noted Horizon Power have controls in place to ensure information is provided to customers prior to agreeing in entering into a NSC. The NSC call scripts state that the customer may cancel the non-standard agreement at any time during the cooling-off period after which the customer must provide verifiable consent.</p> <p>However, examination of the NSC call scripts noted that the information specified under sub clause 2(b)-(j) and sub clause 4 is provided to customers after verifiable consent has been obtained, namely:</p> <ul style="list-style-type: none"> <li>• How the customer may obtain- <ul style="list-style-type: none"> <li>○ A copy of the Code; and</li> <li>○ Details on all relevant tariffs, fees, charges, alternative tariffs and service levels that may apply to the customer</li> </ul> </li> <li>• The scope of the Code;</li> <li>• That a retailer and electricity marketing agent must comply with the Code;</li> <li>• How the retailer may assist if the customer is experiencing payment difficulties or financial hardship;</li> </ul>	<p>Horizon Power to ensure information specified under sub clause 2(b)-(j) is provided to customers prior to obtaining their consent and to reflect this process as part of Horizon Power's NSC call scripts.</p>	<p><b>Details:</b> When discussing MyPower, which is subject to a non-standard form contract, a customer is asked 'if they would like to proceed' before advising all of the details required by the Code. Horizon Power has now amended the call script to ensure the required information is provided before verifiable consent is obtained.</p> <p>To potentially improve the Code this issue has been passed to the ECCC for consideration.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Due Date:</b> Completed in May 2020.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<ul style="list-style-type: none"> <li>● With respect to a residential customer, the concessions that may apply to the residential customer;</li> <li>● The distributor's 24 hour telephone number for faults and emergencies</li> <li>● How a residential customer may access Horizon Power's – <ul style="list-style-type: none"> <li>○ Multi-lingual services; and</li> <li>○ TTY services</li> </ul> </li> <li>● How to make an enquiry of, or complaint to, the retailer; and</li> <li>● General information on the safe use of electricity.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed and Horizon Power was not compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>		
3/2020	<p><b>Controls Improvement/Non Compliance</b></p> <p><b>Rating:</b> B/2</p> <p><b>Legislative Obligation:</b> 209 - If a residential customer is assessed as experiencing payment difficulties, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1), and advise the residential customer that additional assistance may be available if the prescribed circumstances apply.</p> <p><b>Details:</b> Through enquiries with the Senior Customer Services Officer and examination of the Financial Hardship Policy, we noted Horizon Power have a process in place to provide assistance to customers who are assessed as experiencing payment difficulties. An overview of the assistance provided to financial hardship and payment difficulties customers when applicable is outlined below:</p> <ul style="list-style-type: none"> <li>● Additional time to pay a bill through the application of an account suppression. This suppression will suspend all of the customer's credit activities for 28 business days.</li> <li>● Advise customers that additional assistance may be available if the customer is unable to meet the conditions of the payment plan due to financial hardship</li> <li>● Offer the option to enter into a payment arrangement plan.</li> </ul> <p>Customers are offered these options over the phone by the CSRs or Credit team when they call about payment difficulties or financial hardship.</p> <p>Sample testing was conducted over calls made by customers enquiring about payment difficulties and the following was noted:</p>	Horizon Power to include the requirement for CSRs to offer payment extensions in addition to payment plans for those customers experiencing payment difficulties as part of their call scripts.	<p><b>Details:</b> As instalment plans always incorporate additional time to pay, Horizon Power is comfortable that it meets the intent and wording of the Code.</p> <p>Being required to offering additional time to pay as a standalone in every circumstance seems to be one which would ignore the customers expressed position in many cases, particularly those customers referred to the credit team, where through the conversation it is obvious that a customer is in financial hardship and will not find additional time to pay a bill helpful, and that the customer is need of an instalment plan.</p> <p>Horizon Power will remain in breach of this technical interpretation of the Code in order to facilitate a conversation suited to customer needs.</p> <p>The Customer Code is reviewed on a regular basis via a Consultative Committee (ECCC). This item has been raised and will be considered by the ECCC with a change to the Code a potential outcome. At this point management actions will be considered.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Due Date:</b> June 2021</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<ul style="list-style-type: none"> <li>All customers were offered an interest-free payment plan</li> <li>All customers were advised that additional assistance may be available if the customer is unable to meet the conditions of the payment plan due to financial hardship</li> <li>Of the five samples, two were not offered additional time to pay a bill, but rather immediately offered an interest-free payment plan.</li> </ul> <p>Based on enquiries, examination of documentation, walkthroughs, and sample testing, it was concluded that there were generally adequate controls with improvement needed and Horizon Power was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>		
4/2020	<p><b>Non Compliance</b> <b>Rating:</b> B/2</p> <p><b>Legislative Obligation:</b> 211 - If a residential customer is experiencing payment difficulties or financial hardship, a retailer must offer the residential customer additional time to pay a bill.</p> <p><b>Details:</b> Through enquiries with the Senior Customer Services Officer and examination of the Financial Hardship Policy and Financial Hardship Procedure, we noted Horizon Power will offer customers experiencing payment difficulties or financial hardship, additional time to pay a bill. This will be processed through Velocity by a CSR, by placing a 28 day suspension of activities on the customer account. Training is provided to CSR's covering the process for assessing customers in regards to payment difficulties and financial hardship, with a training register used to monitor the completion of these modules.</p> <p>Sample testing was conducted over calls made by customers enquiring about payment difficulties or financial hardship and the following was noted:</p> <ul style="list-style-type: none"> <li>Of the five samples, two were not offered additional time to pay a bill, but rather immediately offered an interest-free payment plan or a HUGs application.</li> </ul> <p>Based on enquiries, examination of documentation, walkthroughs, and sample testing, it was concluded that there were generally adequate controls with improvement needed and Horizon Power was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>	Horizon Power to include the requirement for CSRs to offer payment extensions in addition to payment plans for those customers experiencing payment difficulties or financial hardship as part of their call scripts.	<p><b>Details:</b> As instalment plans always incorporate additional time to pay, Horizon Power is comfortable that it meets the intent and wording of the Code.</p> <p>Being required to offer additional time to pay as a standalone in every circumstance seems to be one which would ignore the customers expressed position in many cases, particularly those customers referred to the credit team, where through the conversation it is obvious that a customer is in financial hardship and will not find additional time to pay a bill helpful, and that the customer is need of an instalment plan.</p> <p>Horizon Power will remain in breach of this technical interpretation of the Code in order to facilitate a conversation suited to customer needs.</p> <p>The Customer Code is reviewed on a regular basis via a Consultative Committee (ECCC). This item has been raised and will be considered by the ECCC with a change to the Code a potential outcome. At this point management actions will be considered.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Due Date:</b> June 2021</p>
5/2020	<p><b>Non Compliance</b> <b>Rating:</b> B/2</p>	Horizon Power to include reference to the Electricity Ombudsman and contact number	<p><b>Details:</b> Horizon Power has now modified the Disconnection Warning Notice to include the required information.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<p><b>Legislative Obligation:</b> 229 - Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c).</p> <p><b>Details:</b> Through enquiries with the Metering Services Manager and examination of Horizon Power's Velocity Credit Cycle, we noted Horizon Power have the following processes and timeframes in place to ensure they use their best endeavours to contact the customer to advise them of the proposed disconnection and to ensure the customer is disconnected within the obliged timeframes:</p> <ul style="list-style-type: none"> <li>● Horizon Power will send an SMS reminder 14 business days after the invoice is sent to the customer.</li> <li>● Horizon Power's Policy is to not disconnect a customer unless the outstanding amount is greater than \$300.</li> <li>● A reminder notice is sent to the customer 16 business days after the invoice is sent to the customer, where the amount due is greater than \$50. The reminder notice advises customer to contact Horizon Power should they be experiencing payment difficulties.</li> <li>● A Disconnection Warning Notice is sent five business days after the Reminder Notice, being 21 business days after the invoice issue date.</li> <li>● The customer will receive a phone call five days after the Disconnection Warning Notice has been delivered, to inform the customer of their obligation to pay for the overdue account.</li> <li>● A Disconnection Warning Card service order is raised 30 business days after the invoice issue date,</li> <li>● Disconnection service orders take approximately five business days to be processed.</li> </ul> <p>We noted this process is an automated process with reminder notices and disconnection warnings issued according to the timeframes above which are pre-programmed into Velocity. All amendments to letters, bills, notices and publicly available documents are reviewed by Retail Services and Legal team prior to release. Additionally, it was noted by the Retail Services Manager that in 2020, a Customer Experience Communication team was formed to develop customer written information.</p> <p>Review of Horizon Power's Reminder Notice Example notes the clear inclusion of an enquiries phone number, and outlines the actions a customer may take should they be experiencing payment difficulties.</p>	<p>for the Electricity Ombudsman in the disconnection warning template.</p>	<p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Due Date:</b> Completed in June 2020.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<p>Review of a Disconnection Warning notes that Horizon Power provides at least five business days' notice to the customer, however it omits the complaints handling process including the contact number and option to access the Electricity Ombudsman.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Horizon Power was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>		
6/2020	<p><b>Controls Improvement/Non Compliance</b> <b>Rating:</b> B/2</p> <p><b>Legislative Obligation:</b> 240 - A retailer must contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstances specified in subclause 7.7(6).</p> <p><b>Details:</b> Through enquiries with the Retail Services Manager and review of the Work Instruction – Life Support Processes as well as the Customer – C9.8 Life Support Customers – 12 month and 3 year re-certification process flowchart, we noted the RCMs for each region is responsible to request re-certification of the life support equipment. The RCMs receive system reminder to send out the renewal form based on the memo added to the customer account upon move in. The checks usually commence 3 months prior to due dates to ensure enough time is provided for customer to turnaround responses.</p> <p>Review of the Life Support Customers Mailout Log 2017-2018 noted that the annual renewal and 3 year re-certification forms were last sent out to 17 life support customers within the Port Hedland and Kununurra regions between July 2017 and April 2018. Based on the existing life support customer data listing provided by Horizon Power, there were 48 existing life support customers within both Port Hedland and Kununurra regions as at the end of the audit period. It is noted that:</p> <ul style="list-style-type: none"> <li>● Horizon Power had not requested annual confirmation from the 17 life support customers, during the audit period, since the last annual renewal and 3 year re-certification forms were sent out in 2017/18.</li> <li>● Horizon Power had not requested annual confirmation and 3 year re-certification from the remaining life support customers in both Port Hedland and Kununurra regions during the audit period.</li> </ul> <p>We noted training in relation to the life support management processes was rolled out to the RCMs for all regions in February 2020 which will help to tighten the process around the conduct of confirmation request for life support requirement within the required timeframe.</p>	<p>Horizon Power should examine the current life support customer listing to ensure that:</p> <ol style="list-style-type: none"> <li>i. all initial certification forms have been sent out to life support customers and returned with sign off by an appropriately qualified medical practitioner confirming life support requirement;</li> <li>ii. annual confirmations with life support customers regarding the requirement of life support equipment (where applicable) are appropriately logged on Velocity; and</li> <li>iii. 3 year re-certification forms have been sent out to life support customers (where applicable) and returned with sign off by an appropriately qualified medical practitioner confirming life support requirement.</li> </ol> <p>Additional control should also be implemented for a periodic review over the conduct of these confirmation processes to ensure compliance of the obligation.</p> <p>In line with good practice, the returned forms should be retained electronically under the respective customer accounts for record keeping purposes.</p>	<p><b>Details:</b> Given the very sensitive nature of removing customers from the life support register Horizon Power has always taken a low risk approach and only removed customers where evidence or agreement has been obtained.</p> <p>In Feb 2020 Horizon Power revised the process to trigger action on removing life support registration and equipment. This moves to active management of removal per requirements of the code.</p> <p>This process is managed locally with a largely manual process where customers are contacted and requested to provide evidence of the life support requirement. Given the nature of the process it is possible that breaches of this nature will continue, which do not disadvantage customers or place them at risk.</p> <p>The process in place is as effective as is commercially reasonable and no further action is proposed.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Due Date:</b> No further action is proposed, thus due date not applicable.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed and Horizon Power was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.		
7/2020	<p><b>Controls Improvement/Non Compliance</b> <b>Rating:</b> B/2</p> <p><b>Legislative Obligation:</b> 241 - A retailer or a distributor must remove the customers' details from the life support equipment register in the circumstances and timeframes specified in subclause 7.7(7).</p> <p><b>Details:</b> Through enquiries with the Retail Services Manager and review of the Work Instruction – Life Support Processes as well as the Customer – C9.8 Life Support Customers – 12 month and 3 year re-certification process flowchart, we noted the RCMs for each region is responsible to request re-certification of the life support equipment. The RCMs receive system reminder to send out the renewal form based on the memo added to the customer account upon move in. The checks usually commence three months prior to due dates to ensure enough time is provided for customer to turnaround responses. As stipulated within the procedural documents, life support flag will not be removed from the customer supply address if the customer fails to return an annual confirmation. However, life support flag can be removed from the supply address if customer fails to return the 3-year re-certification after the third reminder had been issued by telephone, fax, in person, mail or email. Each reminder have to be sent 20 business days apart. Removal of the life support flag for a customer is by way of putting an end date to the life support requirement on Velocity against the supply address, to advise the system that the condition is no longer active. Any changes to life support customer details will create a workflow on Velocity to be approved by the Retail Services Manager and changes will be included in the daily automated life support report sent out to the regions for review. Based on the daily automated SSN and mdata21 update true up report from MDR run at 3pm, metering will then update each site and remove the remote lock-out.</p> <p>Based on a walkthrough performed on a life support customer from the Kununurra region, we noted the customer had not returned an initial confirmation from an appropriately qualified medical practitioner regarding the life support requirement and had not been sent or returned an annual confirmation of the life support requirement during the audit period. However, we noted the customer details had not been removed from the life support register for failure to return a confirmation. Horizon Power has self-reported non-compliance against Obligation 241 in the 2017/18 and 2018/19 Annual Compliance Report and has taken a stand to not remove customer from the life support register without appropriate notification that</p>	Horizon Power should update the current life support customer register to ensure that life support customers are removed upon satisfaction of subclause 7.7(7)(a)(i), (ii) or (iii) of the Code of Conduct.	<p><b>Details:</b> Given the very sensitive nature of removing customers from the life support register Horizon Power has always taken a low risk approach and only removed customers where evidence or agreement has been obtained.</p> <p>In Feb 2020 Horizon Power revised the process to trigger action on removing life support registration and equipment. This moves to active management of removal per requirements of the code.</p> <p>This process is managed locally with a largely manual process where customers are contacted and requested to provide evidence of the life support requirement. Given the nature of the process it is possible that breaches of this nature will continue, which do not disadvantage customers or place them at risk.</p> <p>The process in place is as effective as is commercially reasonable and no further action is proposed.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Due Date:</b> No further action is proposed, thus due date not applicable.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<p>the customer is no longer on life support requirement to mitigate the risk of harm to customers.</p> <p>We noted training in relation to the life support management processes was rolled out to the RCMs for all regions in February 2020 which will help to tighten the process around the conduct of confirmation request for life support requirement within the required timeframe.</p> <p>Based on enquiries, examination of documentation, and walkthroughs, it was concluded that there were generally adequate controls with improvement needed and Horizon Power was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>		
8/2020	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A/2</p> <p><b>Legislative Obligation:</b> 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.</p> <p><b>Details:</b> Through enquiries with the Metering Services Manager and review of relevant documentation, we noted the current Horizon Power meters are aligned with the 2017 Horizon Power Metrology Procedure.</p> <p>In 2011, sample meter testing was performed by Formway Group and it was confirmed that, both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters. As of completion of the AMI-exchange project in December 2016, these metering installations meet or exceed the standards required for installations.</p> <p>Sample testing was conducted over meters for alignment with the installation types and accuracy requirements in the Electricity Industry (Metering) Code 2012 and Metrology Procedure and we noted all but 19 meters on the Horizon Power network comply. As at the end of the audit period, Horizon Power had 19 meters on its network which had not yet been exchanged. For the metering installations associated with these 19 meters, it was noted:</p> <ul style="list-style-type: none"> <li>● 4 have not been able to be exchanged due to quality concerns of the customers meter box. Discussion are currently underway with the customers to have this completed; and</li> <li>● 15 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best</li> </ul>	Horizon Power to continue working with the community to replace the remaining 19 non-compliant meters.	<p><b>Details:</b> In response to the 2017 audit, Horizon Power advised it would continue to attempt to replace or remove the then 159 meters that cause this breach.</p> <p>Through active management this number has been reduced to 51 in total (19 not exchanged and 32 long term disconnected where reconnection will require electrical works and a meter exchange)</p> <p>Current business process that has actioned meter exchanges when customers have moved out of a premise remain.</p> <p>Where the meters have not been exchanged due to the quality of the customer meter box (not meeting current standards), there is no obligation on the customer to rectify their installation. Whilst discussions continue with these customers there is no ability for Horizon Power to resolve this breach.</p> <p><b>Responsible Person:</b> Metering Services Manager</p> <p><b>Due Date:</b> Ongoing. As customers move out of premises meters will be exchanged.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<p>endeavours to reach agreements to allow for the exchange. These 15 meters are not verified, and have not been subsequently individually tested to identify whether they are meeting the accuracy requirements required of utility meters.</p> <p>This was raised in the 2017 EIRL2 Performance Audit as non-compliant, with 23 meters associated with customers who refused to allow Horizon Power to exchange their current meter. Eight have been replaced over the audit period as a result of the customer leaving the premises.</p> <p>Based on enquiries, examination of documentation, walkthroughs, and sample testing, it was concluded that there were adequate controls with no improvement needed, however Horizon Power was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>		
9/2020	<p><b>Non Compliance</b> <b>Rating:</b> A/2</p> <p><b>Legislative Obligation:</b> 326 - A network operator must ensure that there is a metering installation at every connection point on its network that is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.</p> <p><b>Details:</b> Through enquiries with the Metering Services Manager we noted every new connection must follow a process in mData21 and Velocity whereby the customer's installation can only be connected by the issuance of a "connection service order" to one of Horizon Power's crews, resulting in a connection point being established with a metering installation.</p> <p>In 2011, sample meter testing was performed by Formway Group and it was confirmed that, both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters. As of completion of the AMI-exchange project in December 2016, these metering installations meet or exceed the standards required for installations.</p> <p>Through enquiries with Metering Services Manager, it was confirmed that:</p> <ul style="list-style-type: none"> <li>● The AMI-exchange project was completed in December 2016.</li> <li>● As at the end of the audit period, Horizon Power had 19 meters on its network which had not yet been exchanged. For the metering installations associated with these 19 meters, it was noted:</li> </ul>	Horizon Power to continue working with the community to replace the remaining 19 non-compliant meters.	<p><b>Details:</b> In response to the 2017 audit, Horizon Power advised it would continue to attempt to replace or remove the then 159 meters that cause this breach.</p> <p>Through active management this number has been reduced to 51 in total (19 not exchanged and 32 long term disconnected where reconnection will require electrical works and a meter exchange)</p> <p>Current business process that has actioned meter exchanges when customers have moved out of a premise remain.</p> <p>Where the meters have not been exchanged due to the quality of the customer meter box (not meeting current standards), there is no obligation on the customer to rectify their installation. Whilst discussions continue with these customers there is no ability for Horizon Power to resolve this breach.</p> <p><b>Responsible Person:</b> Metering Services Manager</p> <p><b>Due Date:</b> Ongoing. As customers move out of premises meters will be exchanged.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<ul style="list-style-type: none"> <li>○ 4 have not been able to be exchanged due to quality concerns of the customers meter box. Discussion are currently underway with the customers to have this completed; and</li> <li>○ 15 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 15 meters are not verified, and have not been subsequently individually tested to identify whether they are meeting the accuracy requirements required of utility meters.</li> </ul> <p>This was raised in the 2017 EIRL2 Performance Audit as non-compliant, with 23 meters associated with customers who refused to allow Horizon Power to exchange their current meter. Eight have been replaced over the audit period as a result of the customer leaving the premises.</p> <p>Based on enquiries, examination of documentation, and walkthroughs, it was concluded that there were adequate controls with no improvement needed, however Horizon Power was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>		
10/2020	<p><b>Non Compliance</b> <b>Rating:</b> A/2</p> <p><b>Legislative Obligation:</b> 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.</p> <p><b>Details:</b> Through enquiries with the Metering Services Manager and review of the Horizon Power Metrology Procedure, we noted Horizon Power provide, install, operate and maintain the metering installation in the manner prescribed under clause 3.5(3) of the Electricity Industry (Metering) Code 2012, namely:</p> <ul style="list-style-type: none"> <li>● The Metrology Procedure was developed in alignment with the Electricity Industry (Metering) Code, and this is stated in clause 1.2.1 of the procedure and came into effect on the 3<sup>rd</sup> of January 2018, with a draft submitted to the Authority for review on 10 April 2017. Amendments by the Authority were issued in June 2017. Prior to this, the Metrology Procedure used was from 2006. As the applicable 2006 Metrology Procedure does not specifically identify and capture Horizon Power's current AMI-enabled fleet of meters, no strong inferences have been drawn as to the adequacy of control provided by the metrology procedure. We noted Horizon Power had previously drafted an amended metrology procedure in 2014, however this was retracted. For the interim period until the completion of installation for all advanced meters in 2017, Horizon</li> </ul>	Horizon Power to continue working with the community to replace the remaining 19 non-compliant meters.	<p><b>Details:</b> In response to the 2017 audit, Horizon Power advised it would continue to attempt to replace or remove the then 159 meters that cause this breach.</p> <p>Through active management this number has been reduced to 51 in total (19 not exchanged and 32 long term disconnected where reconnection will require electrical works and a meter exchange)</p> <p>Current business process that has actioned meter exchanges when customers have moved out of a premise remain.</p> <p>Where the meters have not been exchanged due to the quality of the customer meter box (not meeting current standards), there is no obligation on the customer to rectify their installation. Whilst discussions continue with these customers there is no ability for Horizon Power to resolve this breach.</p> <p><b>Responsible Person:</b> Metering Services Manager</p> <p><b>Due Date:</b> Ongoing. As customers move out of premises meters will be exchanged.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<p>Power adopted a draft of the 'Western Australian Electricity Market Metrology Procedures for Metering Installations' as its metrology standard. The procedure was reviewed and amended by Horizon Power in alignment with Metering Code 2012 to include additional requirements and clarifications as well as specific reference to AMI and its components.</p> <ul style="list-style-type: none"> <li>● Under clause 1.2.1 of the Procedure, the purpose is to provide guidance on the correct provision, installation and maintenance of metering installations in line with the principles of the Code.</li> <li>● The procedure details the Metering installation types and accuracy requirements in line with the Electricity Industry (Metering) Code 2012.</li> <li>● In 2011, sample meter testing was performed by Formway Group and it was confirmed that, both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed.</li> <li>● In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters. As of completion of the AMI-exchange project in December 2016, these metering installations meet or exceed the standards required for installations.</li> </ul> <p>Sample testing was conducted over meters for alignment with the installation types and accuracy requirements in the Electricity Industry (Metering) Code 2012 and we noted all bar 19 meters on the Horizon Power network comply. As at the end of the audit period, Horizon Power had 19 meters on its network which had not yet been exchanged. For the metering installations associated with these 19 meters, it was noted:</p> <ul style="list-style-type: none"> <li>● 4 have not been able to be exchanged due to quality concerns of the customers meter box. Discussion are currently underway with the customers to have this completed; and</li> <li>● 15 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 15 meters are not verified, and have not been subsequently individually tested to identify whether they are meeting the accuracy requirements required of utility meters.</li> </ul> <p>This was raised in the 2017 EIRL2 Performance Audit as non-compliant, with 23 meters associated with customers who refused to allow Horizon Power to exchange their current meter. Eight have been replaced over the audit period as a result of the customer leaving the premises.</p> <p>Based on enquiries, examination of documentation, walkthroughs, and sample testing, it was concluded that there were adequate controls with no improvement needed, however</p>		

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	Horizon Power was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.		
11/2020	<p><b>Non Compliance</b> <b>Rating:</b> A/2</p> <p><b>Legislative Obligation:</b> 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 as specified in Table 3 in Appendix 1 of the Code.</p> <p><b>Details:</b> Through enquiries with the Metering Services Manager, we noted Horizon Power document the requirements of the metering type installations as specified in Table 3 in Appendix 1 of the Code within the Horizon Power Metrology Procedure. The requirements to be documented for each metering type installation are as follows:</p> <ul style="list-style-type: none"> <li>● Annual throughput at connection point;</li> <li>● Maximum allowable overall error at full load – Active;</li> <li>● Maximum allowable overall error at full load – Reactive;</li> <li>● Minimum acceptable class or standard of components;</li> <li>● Clock error (seconds per month);</li> <li>● Minimum meter types; and</li> <li>● Measurement for reactive energy required.</li> </ul> <p>Review of the Code and the Metrology Procedure noted the documents were aligned.</p> <p>In 2011, sample meter testing was performed by Formway Group and it was confirmed that, both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters. As of completion of the AMI-exchange project in December 2016, these metering installations meet or exceed the standards required for installations.</p> <p>Sample testing was conducted over meters for alignment with the installation types and accuracy requirements in the Electricity Industry (Metering) Code 2012 and we noted all but 19 meters on the Horizon Power network comply. As at the end of the audit period, Horizon</p>	Horizon Power to continue working with the community to replace the remaining 19 non-compliant meters.	<p><b>Details:</b> In response to the 2017 audit, Horizon Power advised it would continue to attempt to replace or remove the then 159 meters that cause this breach.</p> <p>Through active management this number has been reduced to 51 in total (19 not exchanged and 32 long term disconnected where reconnection will require electrical works and a meter exchange)</p> <p>Current business process that has actioned meter exchanges when customers have moved out of a premise remain.</p> <p>Where the meters have not been exchanged due to the quality of the customer meter box (not meeting current standards), there is no obligation on the customer to rectify their installation. Whilst discussions continue with these customers there is no ability for Horizon Power to resolve this breach.</p> <p><b>Responsible Person:</b> Metering Services Manager</p> <p><b>Due Date:</b> Ongoing. As customers move out of premises meters will be exchanged.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<p>Power had 19 meters on its network which had not yet been exchanged. For the metering installations associated with these 19 meters, it was noted:</p> <ul style="list-style-type: none"> <li>• 4 have not been able to be exchanged due to quality concerns of the customers meter box. Discussion are currently underway with the customers to have this completed; and</li> <li>• 15 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 15 meters are not verified, and have not been subsequently individually tested to identify whether they are meeting the accuracy requirements required of utility meters.</li> </ul> <p>This was raised in the 2017 EIRL2 Performance Audit as non-compliant, with 23 meters associated with customers who refused to allow Horizon Power to exchange their current meter. Eight have been replaced over the audit period as a result of the customer leaving the premises.</p> <p>Based on enquiries, examination of documentation, walkthroughs, and sample testing, it was concluded that there were adequate controls with no improvement needed, however Horizon Power was not compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>		
12/2020	<p><b>Non Compliance</b> <b>Rating:</b> A/2</p> <p><b>Legislative Obligation:</b> 341 - Subject to clause 3.11A(3), if a "population" of meters is deemed to have failed under AS 1284.13, the network operator must ensure that all of the meters in that population are removed and replaced with new meters within 3 years of the testing of the population.</p> <p><b>Details:</b> In 2011, sample meter testing was performed by Formway Group and it was confirmed that both single and three phase meters were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed.</p> <p>In 2015 and 2016, Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project, Horizon Power has now installed approximately 48,563 advanced meters. As of completion of the AMI-exchange project in December 2016, these metering installations meet or exceed the standards required for installations.</p> <p>Through enquiries with the Metering Services Manager, it was confirmed that:</p> <ul style="list-style-type: none"> <li>• The AMI-exchange project was completed in December 2016.</li> </ul>	Horizon Power to continue working with the community to replace the remaining 19 non-compliant meters.	<p><b>Details:</b> In response to the 2017 audit, Horizon Power advised it would continue to attempt to replace or remove the then 159 meters that cause this breach.</p> <p>Through active management this number has been reduced to 51 in total (19 not exchanged and 32 long term disconnected where reconnection will require electrical works and a meter exchange)</p> <p>Current business process that has actioned meter exchanges when customers have moved out of a premise remain.</p> <p>Where the meters have not been exchanged due to the quality of the customer meter box (not meeting current standards), there is no obligation on the customer to rectify their installation. Whilst discussions continue with these customers there is no ability for Horizon Power to resolve this breach.</p> <p><b>Responsible Person:</b> Metering Services Manager</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<ul style="list-style-type: none"> <li>• As at the end of the audit period, Horizon Power had 19 meters on its network which had not yet been exchanged. For the metering installations associated with these 19 meters, it was noted:               <ul style="list-style-type: none"> <li>• 4 have not been able to be exchanged due to quality concerns of the customers meter box. Discussions are currently underway with the customers to have this completed; and</li> <li>• 15 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 15 meters are not verified, and have not been subsequently individually tested to identify whether they are meeting the accuracy requirements required of utility meters.</li> </ul> </li> </ul> <p>As Horizon Power still had meters in operation of the same pattern types that had failed the 2011 Formway Group sample meter testing, which, was conducted more than three years ago, Horizon Power is deemed non-compliant with this obligation during the audit period.</p> <p>Based on enquiries, examination of documentation, walkthroughs, and sample testing, it was concluded that there were adequate controls with no improvement needed, however Horizon Power was non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>		<p><b>Due Date:</b> Ongoing. As customers move out of premises meters will be exchanged.</p>
13/2020	<p><b>Controls Improvement/Non Compliance</b></p> <p><b>Rating:</b> B/2</p> <p><b>Legislative Obligation:</b> 370 - The standing data for a metering point must comprise at least the items specified.</p> <p><b>Details:</b> Through enquiries with the Metering Services Manager and the Cyber &amp; Information Security Officer, we noted Horizon Power manages all metering services in-house, with the storage of meter data within mData21. This includes standing data and energy data for each metering point on its network.</p> <p>It was identified during testing that mData21 does not contain all standing data items required under Table 2 'Description and designated source of standing data to be contained in the registry'. For example the length of network between the metering point and the substation it's not captured within mData21 or elsewhere within the organisation. The standing data items required under Table 2 identified as omitted from mData21 did not directly impact the customer.</p>	<p>Horizon Power to finalise draft Communication Rules to remove, modify or add any requirement in clause 4.3(1) for standing data that is currently omitted from mData21.</p>	<p><b>Details:</b> Horizon Power drafted Communication Rules some years earlier to resolve this item. Finalisation of these rules is contingent on long running negotiations for access to Horizon Power's network and consequent publication of the rules for comment. Once these are concluded these rules will be finalised to resolve this item.</p> <p><b>Responsible Person:</b> Metering Services Manager</p> <p><b>Due Date:</b> The date of implementation of the Pilbara Networks Access Code.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action
	<p>It was additionally noted that during fieldwork that, Horizon Power was in the process of drafting a set of Communication Rules. In assessing a recommended action plan, it was considered that in accordance with Clause 4.3(3) of the Code, Horizon Power may use its communication rules, once approved and published, to remove, modify or add any requirement in clause 4.3(1) for standing data.</p> <p>Previously, it was recommended that Horizon Power consider updating the draft communications rules document to remove, modify or add any requirement in clause 4.3(1) for standing data that is currently omitted from mData21. The communication rules are still in draft as negotiations are currently underway with another retailer to grant access to Horizon Power's network, at which point Communication Rules will be required. These are expected to be released in final by July 2020.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed and Horizon Power was not compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p>		