

ABN 20 009 454 111

Post Audit Implementation Plan
Rottnest Island Electricity Licence
Operational / Performance Audit
and Asset Management Review

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This report is an accurate representation of the findings and opinions of the auditors following the audit and review of the client's conformance to nominated Licence conditions. The audit is reliant on evidence provided by other parties and is subject to limitations due to the nature of the evidence available to the auditor, the sampling process inherent in the audit process, the limitations of internal controls and the need to use judgement in the assessment of evidence. On this basis Qualeng shall not be liable for loss or damage to other parties due to their reliance on the information contained in this report or in its supporting documentation.

Approvals

Representation	Name	Signature	Position	Date
Auditor:	M Zammit		Lead Auditor / Engineering Manager, Qualeng	18 Sep 2008
Licensee:	K Chinnery		Manager Commercial Operations, Rottne Island Authority	18 Sep 2008

Issue Status

Issue No	Date	Description	Prepared	Verified	Approved
A	24 Jun 2008	First draft Issue	MZ/JH		
B	5 Sep 2008	Second Draft. Revised item 181, 236, 243, 281, 286- 288, 289, 293, 294, 316, 318, 334, 352, 371, 391, 410, 425, 444, 448-456; removed item 88, 184, 198, 318, 393, 425 and added items 185 to 190; 206; 208; 233-234; 239-240; 283; 287; 306, 311; 347; 394 to Performance Audit table. Revised items 1.7, 9, 9.1 in Asset Management Review. Various dates changed.	MZ		
C	17 Sep 2008	Third Draft issued with revisions to items 281, 293-4, 334-7, 350-1, 354-6, 358, 360-1, 363, 371, 376, 384, 391, 394, 5.2, 9, 9.1 in audit findings and 371 in Additional Observations.	MZ		
1	18 Sep 2008	Final Issue.	MZ		MZ

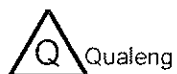
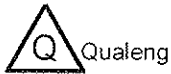


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1 Post Audit Implementation Plan Summary

1.1 BACKGROUND

The Rottnest Island Authority [RIA] has an Electricity Integrated Regional Licence (EIRL3 Licence) [the Licence] issued by the Economic Regulation Authority [the Authority] under Sections 7 and 15(2) of the Electricity Industry Act 2004 (WA) [the Act].

Under Sections 13 and 14 of the Act the, RIA is required to provide to the Authority an Performance Audit and Asset Management System Review of the Rottnest Island EIRL3 Licence to cover the period 21 June 2006 to 31 January 2008.

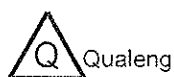
In March 2008 the RIA commissioned Qualeng to carry out the first Performance Audit and Asset Management System Review.

The audit and review has been conducted and this report prepared in accordance with the Authority's Audit Guidelines: Electricity, Gas and Water Licences (September 2006).

A Post Audit Implementation Plan was prepared by the Auditor for the Licensee's completion and issue.

1.2 POST AUDIT IMPLEMENTATION PLAN

The Post Audit Implementation Plan (PAI Plan) is included in the next section. Each key finding and recommendation arising from the Operational/Performance Audit and the Asset Management Review has been listed in the PAI Plan. For each recommendation the Licensee has recorded responses and corrective actions, responsibility for the actions and a proposed date for completion.



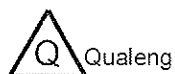
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1.3 OPERATIONAL/PERFORMANCE AUDIT

Item	Licence Conditions	Findings	Comp Ratg.	Recommended Corrective Actions	Post Audit Action Plan
82	A licensee must provide for an asset management system.	TG have provided a Draft Asset Management Plan [March 2008] and demonstrated that they have records of the asset management system.	3	Asset Management System is still in development and will require completion.	ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being reviewed by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
108	A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the Authority's standard guidelines dealing with the asset management system.	Currently there is no internal process of review for compliance against the individual requirements of the Electricity Licence as listed in the Compliance Manual.	1	A process and documentation are required to demonstrate the review of compliance against the individual requirements of the Electricity Licence as listed in the Compliance Manual.	ACTION: The RIA's facility manager, Tungsten, is creating an internal process to review and an Electricity Licence compliance database. RESPONSIBILITY: Tungsten Contract Manager DATE: Completed
181	A retailer must advise the customer of the amount of historical debt and its basis before, with or on the customer's bill, if the retailer wishes to bill the customer for the historical debt.	Not covered by RIA's Customer Service Charter. Informal process is in place. A new contract has been arranged to place the responsibility of customer accounts with a contractor, (Sunco-Resolve FM). A code of conduct should be available from Sunco, however it was not obtainable at the time of the audit.	2	Not able to be verified as no applicable documentation available. An applicable Code of Conduct will be required. Historical debt will need to be addressed and documentation revised.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
183	A retailer must give the customer information that explains to that customer how to read a meter correctly (if applicable) in clear, simple and concise language.	The invoice currently does not detail how to read a meter.	2	Information to be added to customer invoice or forms.	ACTION: The RIA will include this in its information kit to customers. RESPONSIBILITY: Manager Commercial Operations DATE: 30 October 2008
185	A retailer must give the	RIA has shown capability to	2	Estimated billing is required	ACTION: RIA to comply.

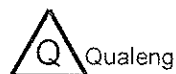


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	customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.	meet this requirement – item 2.4 of its Customer Charter; however RIA and TG have confirmed that as all bills are based on actual reading, if no reading is possible, no charge is applied.		under the code. RIA will need to address this requirement in its meter reading and accounts processes.	RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
186	A retailer must base an estimated bill on the criteria specified.	Ditto 185.	2	Ditto 185.	ACTION: RIA to comply. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
187	A retailer must specify the stated information in circumstances where the customer's bill is estimated.	Ditto 185.	2	Ditto 185.	ACTION: RIA to comply. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
188	A retailer must tell a customer, on request, the basis and reason for the estimation.	Ditto 185.	2	Ditto 185.	ACTION: RIA to comply. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
189	Where the retailer gives a customer an estimated bill and the meter is subsequently read the retailer must include an adjustment on the next bill to take account of the actual meter reading.	Ditto 185.	2	Ditto 185.	ACTION: RIA to comply. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
190	A retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading if the customer satisfies the requirements as specified.	Ditto 185.	2	Ditto 185.	ACTION: RIA to comply. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
197	A retailer must repay the customer any amount in credit at the time the customer requests a final bill.	Not in Standard Form Contract or in Customer Service Charter (CSC). No process or procedure details available at the time of the audit.	2	Refund policy to be documented.	ACTION: A refund policy will be documented. RESPONSIBILITY: Manager Commercial Operations. DATE: 30 October 2008
203	A retailer must pay the	Condition is covered by clause	3	Customer Service Charter will	ACTION: The RIA's Customer

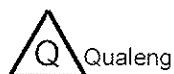


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	amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.	2 of the CSC, however no specified time of response is included in the CSC. There was advice from RIA and TG that the CSC is under revision – the revised charter has not been viewed.		require checking for confirmation of compliance.	Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
206	A retailer must offer the specified minimum payment method.	All conditions are satisfied except for applicability of "Centrepay" method of payment.	4	RIA to confirm applicability of payment method and, if applicable, add it to the Bill form, if not applicable RIA to confirm.	ACTION: RIA to confirm and change document if applicable. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
208	A retailer must, prior to commencing a direct debit, obtain the customer's verifiable consent and agree to the specified conditions for the direct debit.	Condition is covered by clause 2.6 of its CSC however RIA has confirmed that it does not offer this option however debit capability is offered by contracted Account manager (Sunco).	3	RIA/Sunco to confirm compliance.	ACTION: RIA to confirm. RESPONSIBILITY: Principal Sunco Property DATE: 30 November 2008
210	A retailer must, at no charge, offer a residential customer a redirection of the customer's bill to a third person, if requested by a customer who is unable to pay by a minimum payment method, due to illness or absence.	This provision is not identified in the Standard Form Contract or in CSC. No procedure found for this condition.	2	RIA/Sunco to confirm procedure in code.	ACTION: RIA to instruct Sunco that it must comply with the Code. RESPONSIBILITY: Manager Commercial Operations DATE: Completed
211	A retailer must not charge a residential customer a late payment fee in the circumstances specified.	Not in Standard Form Contract or in Customer Service Charter. Section 2.7 of RIA CSC would charge late payment fee, but makes no reference to special dispensation given in Electricity code 5.6(1).	2	RIA/Sunco to confirm procedure.	ACTION: RIA to instruct Sunco that it must comply with the Code. RESPONSIBILITY: Manager Commercial Operations DATE: Completed
212	A retailer must not charge an additional late payment fee in relation to the same bill within five business days from the date of receipt of the previous late payment fee	Ditto 211.	2	Ditto 211.	ACTION: RIA to instruct Sunco that it must comply with the Code. RESPONSIBILITY: Manager Commercial Operations DATE: Completed



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	notice.				
213	A retailer must not charge a residential customer more than two late payment fees in relation to the same bill.	Ditto 211.	2	Ditto 211.	ACTION: RIA to instruct Sunco that it must comply with the Code. RESPONSIBILITY: Manager Commercial Operations. DATE: Completed
222	A retailer must advise a residential customer on request of the details of an assessment.	Section 13 of the Standard Form Contract and section 2.8 of CSC cover this requirement. Procedure confirmed by A/Chief Financial Officer. RIA placing responsibility of accounts on contractor (Sunco), confirmation of procedure will be required with Sunco.	3	RIA/Sunco to confirm the procedure.	ACTION: The RIA has outsourced its utilities payments collection. The outsourcing operator, Sunco, issues assessments and collects payments under the direction of the RIA and is bound by the RIA's Standard Form Contract and Customer Service Charter. RESPONSIBILITY: Manager Commercial Operations DATE: Completed.
223	A retailer may not unreasonably deny a residential customer's request for a temporary suspension of actions in the circumstances specified.	Ditto 222.	3	RIA/Sunco to confirm the procedure.	ACTION: The RIA has outsourced its utilities payments collection. The outsourcing operator, Sunco, issues assessments and collects payments under the direction of the RIA and is bound by the RIA's Standard Form Contract and Customer Service Charter. RESPONSIBILITY: Manager Commercial Operations DATE: Completed.
224	A retailer must allow a temporary suspension of actions for a period of at least 10 days.	Ditto 222.	3	RIA/Sunco to confirm the procedure.	ACTION: The RIA has outsourced its utilities payments collection. The outsourcing operator, Sunco, issues assessments and collects payments under the direction of the RIA and is bound by the RIA's Standard Form Contract and Customer Service Charter. RESPONSIBILITY: Manager Commercial Operations DATE: Completed.
227	A retailer must offer a	Covered by Section 13 of the	3	RIA/Sunco to confirm the	ACTION: The RIA has



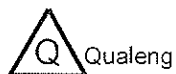
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	residential customer who is experiencing payment difficulties or financial hardship at least the specified payment arrangements.	Standard Form Contract. RIA placing responsibility of accounts on contractor (Sunco), confirmation of procedure will be required with Sunco.		procedure.	outsourced its utilities payments collection. The outsourcing operator, Sunco, issues assessments and collects payments under the direction of the RIA and is bound by the RIA's Standard Form Contract and Customer Service Charter. RESPONSIBILITY: Manager Commercial Operations DATE: Completed.:
228	A retailer must take into account and specify the stated information and take the specified actions when offering an instalment plan to a residential customer experiencing payment difficulties or financial hardship.	Ditto 227.	3	RIA/Sunco to confirm the procedure.	ACTION: The RIA has outsourced its utilities payments collection. The outsourcing operator, Sunco, issues assessments and collects payments under the direction of the RIA and is bound by the RIA's Standard Form Contract and Customer Service Charter. RESPONSIBILITY: Manager Commercial Operations DATE: Completed.
233	A retailer must develop a hardship policy to assist customers in meeting their financial obligations and responsibilities to the retailer.	Covered by Standard Form Contract. Hardship policy not viewed, A/Chief Financial Officer confirmed that all reasonable requests for extended payment terms are considered.	3	Hardship policy required.	ACTION: RIA to issue hardship policy. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
234	A retailer must ensure that the hardship policy complies with the specified criteria.	Ditto 233	3	Hardship policy required	ACTION: RIA to issue hardship policy. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
236	A retailer must keep a record of the specified information related to the hardship policy.	Facility for maintenance of records of consultation and revision process was not confirmed.	2	Require confirmation of record keeping for consultation and revision process.	ACTION: Record keeping process to be provided. RESPONSIBILITY: Manager Commercial Operations DATE: Completed.

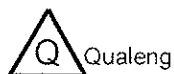


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239	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified.	RIA A/Tourism and Travel Manager, RIA Director, Finance and Business Services and TG have confirmed that informal policy is not to disconnect power.	3	Formal hardship policy required, policy needs to address requirement for maintaining customer supply in the circumstance specified.	ACTION: RIA to issue hardship policy. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
240	In relation to dual fuel contracts, a retailer must not arrange for disconnection of the customer's supply address for failure to pay a bill within 15 business days from arranging for disconnection of the customer's gas supply.	Ditto 239.	3	Ditto 239.	ACTION: RIA to issue hardship policy. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
242	A distributor who disconnects a customer's supply address for emergency reasons must provide a 24 hour emergency line and use its best endeavours to restore supply as soon as possible.	Covered by Section 4.6 of the CSC. Emergency supply arrangements require use of third party power generation (Kennards). Informal process in place, will require documentation.	3	Informal process in place, will require documentation/ coordination across different service providers. <u>Post Audit Actions:</u> Since audit corrective action has been effected, responsibility for emergency line has been allocated and line established.	ACTION: Emergency line established and will be advised to all customers RESPONSIBILITY: Tungsten Contract Manager DATE: Completed
243	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.	Covered by Section 6.2 of the Standard Form Contract.	3	Informal process in place, will require documentation of policy. <u>Post Audit Actions:</u> a letter has been issued by the RIA instructing the Operations Contractor TG.	ACTION: The decision to disconnect can only be made by the RIA's Chief Executive Officer. Letter of direction to be issued by RIA. RESPONSIBILITY: Manager Commercial Operations DATE: Completed
244	A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.	Ditto 243.	3	Ditto 243.	ACTION: The decision to disconnect can only be made by the RIA's Chief Executive Officer. Letter of direction to be issued by RIA. RESPONSIBILITY: Manager Commercial Operations DATE: Completed
245	A distributor must undertake the actions specified in circumstances where the distributor has been informed by a retailer or a relevant	Ditto 243.	3	Ditto 243.	ACTION: The decision to disconnect can only be made by the RIA's Chief Executive Officer. Letter of direction to be issued by

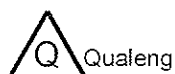


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	government agency that a person residing at a customer's supply address requires life support equipment.				RIA. RESPONSIBILITY: RIA DATE: Completed
266	A retailer must give the requested billing data at no charge in the circumstances specified.	Covered by CSC (2.1). Fees may apply, CSC will need to be reviewed for compliance with the Code.	2	CSC will need to be reviewed for compliance with the Code.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
272	A distributor must give a customer on request, at no charge, the specified information that is particular to a distributor.	Covered by RIA's CSC (3.2), however Standard Form Contract does not include this information in its list of accessible information (12).	2	Standard Form Contract will require a review to address information required by the Code.	ACTION: The Standard Form Contract will be reviewed for approval by the ERA. RESPONSIBILITY: Manager Commercial Operations. DATE: 30 November 2008
274	A distributor must give a customer the requested consumption data at no charge in the circumstances specified.	Covered by CSC (2.1). Fees may apply, CSC will need to be reviewed for compliance with the Code.	2	CSC will need to be reviewed for compliance with the Code.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
278	A distributor must publish information on distribution standards and metering arrangements on the distributor's website.	RIA publishes on its site reports on its electricity quality and reliability, however metering information is not readily available.	2	To be reviewed for compliance.	ACTION: While the nature of the RIA's operation do not make this the most accessible medium for customers; metering information will be published on the RIA website RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
281	A retailer and distributor must	Electronic access to Code of	2	Code of Conduct to be made	ACTION: As internet access for

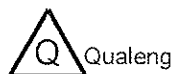


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	make electronic copies of the Code of Conduct available, at no charge, on their websites.	Conduct not available on the RIA website. The Customer Charter refers RIA customers to ERA's website and includes web address for this document.		readily accessible on the RIA Website.	residents on the Island is limited the most effective means of communication is to provide all customers with a copy of the Code of Conduct Notwithstanding the Code of Conduct to be posted on the RIA website. RESPONSIBILITY: Manager Commercial Operations DATE: Completed.
283	A retailer and distributor must inform a customer of any material amendment to the Code of Conduct that affects the customer's rights and obligations.	Information on changes to COC is provided to users through RIBC and the CCC. Publication of changes on website was not confirmed as noted in item 281.	2	Include this requirement in licence compliance checklist to ensure publication of future changes to COC. Advise users of recent changes to COC.	ACTION: RIA to inform customers of recent changes to COC for small users. TG to add requirement to Licence checklist. RESPONSIBILITY: Manager Commercial Operations/Tungsten Contract Manager DATE:..30 November 2008
286, 287	A distributor must advise a customer, at no charge, of the availability of different types of meters.	RIA A/Tourism and Travel Manager and TG have confirmed that only one type of meter is available on the island. In future, application of different types of meters will need to be assessed on a case by case basis.	3	In future, application of different types of meters will need to be assessed on a case by case basis. This direction and a guideline for meter selection will need to be prepared and included in operational procedures.	ACTION: Tungsten to prepare guideline. RESPONSIBILITY: Tungsten Contract Manager DATE: 31 December 2008
288	A retailer and distributor must produce and publish a Customer Service Charter.	RIA has produced a CSC, dated 2005. Access to CSC was not available on the website.	3	Access to CSC needs to be clarified.	ACTION: The ERA approved Customer Service Charter has been posted on the RIA website. RESPONSIBILITY: Manager Commercial Operations DATE: Completed
289	A retailer and distributor must address the specified information in their Customer Service Charters.	Not all contact details are available in the CSC eg. the Authority, Energy Safety.	2	CSC needs review and revision to ensure compliance with the Code.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager

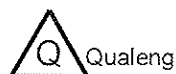


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Item	Licence Conditions	Findings	Comp Ratg.	Recommended Corrective Actions	Post Audit Action Plan
					Commercial Operations DATE: 30 November 2008
293	A retailer, distributor and marketer must develop, maintain and implement an internal process for handling complaints and resolving disputes.	Process has been subject to a review "RIA Complaints Management System", 16 May 2007, which identified a number of shortcomings, some of these shortcomings have been addressed, others have not. Process workflow does not document process for telephone calls however CSC addresses the complaints procedure.	3	Formally address shortcomings of process for handling complaints.	ACTION: Complaints handling process to be reviewed and changes made to address shortcomings. RESPONSIBILITY: Manager Commercial Operations DATE: 30 October 2008
294	A retailer, distributor and marketer must develop, maintain and implement a complaints handling process that meets the specified requirements.	Ditto 293. Customer complaint process not readily apparent to website visitors. Customer feedback form not readily found - found on site map - not linked to a complaint or feedback page. There are discrepancies between the CSC and the "RIA Feedback Action Form": - acknowledgement 10 vs. 5 days, - resolution 15 vs. 30 days.	3	Formally address shortcomings of process for handling complaints.	ACTION: Complaints handling process to be reviewed and changes made to address shortcomings. RESPONSIBILITY: Manager Commercial Operations DATE: 30 October 2008
297	A retailer, distributor and marketer must develop a guideline that assists their staff in delineating customer queries and complaints, and provides for the classification of customer complaints.	No guideline available on the basis of the small electricity customer base.	2	Guideline may be required to differentiate and prioritise responses.	ACTION: While the number of queries and complaints is minimal guidelines will be developed. RESPONSIBILITY: Tungsten Contract Manager/Manager Commercial Operations DATE: 30 November 2008
298	A retailer and distributor must refer to their respective guidelines in their Customer Service Charter.	No reference made in CSC to guidelines due to the small electricity customer base.	2	Ditto 297	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager



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306, 311	A retailer/distributor must keep a record of the total number of payments made under the compensation indicators specified.	RIA operates under the Financial Audit Act. Compensation payments are processed in accordance with the Act and records kept accordingly. RIA does not have a procedure for monitoring compensation claims.		A check will be required within the "Licence and Permit Register" to monitor compensation payments under the indicators specified in the COC.	ACTION: . RIA to comply. RESPONSIBILITY: FOU Contract Manager DATE: 30 November 2008
313	A retailer must pay the stated compensation to an eligible customer where the customer is not reconnected in the manner specified and an exception to payment does not apply.	This requirement is not addressed in RIA documents – eg. Standard Form Contract and Customer Service Charter.	2	CSC will need to be amended.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
315	A retailer must pay the stated compensation to an eligible customer where the retailer has failed to follow any of the specified procedures prior to disconnection for a failure to pay and an exception to payment does not apply.	Ditto 313.	2	CSC to be amended to reflect compensation.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
316	A retailer must acknowledge and respond to a written query or complaint by an eligible customer within the timeframes prescribed.	A process for handling customer feedback and complaints has been established and documented, however it is subject to shortcomings as noted at item 293.	3	Ditto 293.	ACTION: The Feedback Form is not relevant to complaints by utilities customers but a form designed to elicit comment from island visitors on their experience of Rottnest Island. The CSC is being reviewed and this issue will be included in that review. RESPONSIBILITY: Manager Commercial Operations



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Item	Licence Conditions	Findings	Comp Ratg.	Recommended Corrective Actions	Post Audit Action Plan
					DATE: 30 November 2008
317	A retailer must pay the stated compensation to an eligible customer where the retailer has failed to acknowledge or respond to a query or complaint within the timeframes prescribed and an exception to payment does not apply.	Ditto 313.	2	CSC to be amended to reflect compensation.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
318	A distributor must notify an eligible customer affected by a planned interruption at least three days before the interruption.	CSC requires across the board 3 days notification. Standard Form Contract (Draft) requires 5 days notification.	3	Standard Form Contract will require revision to bring in line.	ACTION: The current Standard Form Contract has been approved by the ERA. This will be reviewed and resubmitted to the ERA for approval RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
319	A distributor must pay the stated compensation to an eligible customer where the distributor has failed to provide the prescribed notification and an exception to payment does not apply.	This requirement is not addressed in RIA documents – eg. Contract and Customer Charter.	2	CSC to be amended to reflect compensation.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
320	A distributor must acknowledge and respond to a written query or complaint by an eligible customer within the timeframes prescribed.	Ditto 316.	3	Ditto 316.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This will be included in that review. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
324	A distributor or transmitter	The RIA's FOU agreement	2	Electricity supply voltage and	ACTION: Tungsten will undertake



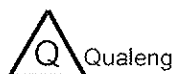
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	must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards.	has capacity to meet this requirement. Capital Works Budget for 2007-08 (Sep 2007) - Transfield Services identified that voltage and harmonics are not being metered to confirm compliance with licence.		harmonics to be metered to monitor compliance with licence.	a review to determine cost effective options for voltage and harmonics metering. TG to purchase harmonics testing device and comply. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 September 2008
334	A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe for a failure to give required notice of planned interruption.	Ditto 313.	2	CSC and Standard Form Contract (SFC) will need to be amended.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This and the SFC will be included in that review and revised if applicable. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
335	A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe if a supply interruption exceeds 12 hours.	Ditto 313.	2	CSC and Standard Form Contract (SFC) will need to be amended.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This and the SFC will be included in that review and revised if applicable. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
336	A distributor operating a relevant distribution system must provide eligible customers with information about applying for payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	Ditto 313.	2	CSC and Standard Form Contract (SFC) will need to be amended.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This and the SFC will be included in that review and revised if applicable. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008



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337	A distributor operating a relevant distribution system must provide written notice to customers about payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	Ditto 313.	2	CSC and Standard Form Contract (SFC) will need to be amended.	ACTION: The RIA's Customer Service Charter is being reviewed to take into account the outsourcing of utilities payment collection to external parties and for compliance with the Licence and various codes. This and the SFC will be included in that review and revised if applicable. RESPONSIBILITY: Manager Commercial Operations DATE: 30 November 2008
338	A distributor operating a relevant distribution system must provide written notice to eligible customers about payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 not less than once in each financial year.	Ditto 313. Not performed.	2	Action will need to be performed.	ACTION: Such notice to be issued at the beginning of each financial year with monthly invoice. For 2008-2009 this will be the September invoice. RESPONSIBILITY: Manager Commercial Operations DATE: 6 October 2008
347	A distributor or transmitter must give a copy of its report about its performance to the Minister and the Authority within the specified period.	RIA have confirmed that the report was submitted late.	2	A check will be required in the RIA's "Licence and Permit Register" to control report issue date.	ACTION: Requirement to be included in Licence compliance register. RESPONSIBILITY: FOU Contract Manager/Tungsten Contract Manager DATE: 30 November 2008
350	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.	FOU Contract includes responsibilities for compliance to all electricity licence requirements – metering included. TG is aware of responsibility. RIA is unable to verify which of its existing meters are in compliance of applicable procedure in this code.	2	Verify categories of all metering and investigate if they comply with the applicable procedure.	ACTION: Tungsten is seeking advice from Western Power and will establish a database of meters and if necessary, a plan of action to meet compliance with the applicable specifications and guidelines. RESPONSIBILITY: Tungsten Contract Manager DATE: 31 October 2008
351	An accumulation meter must at least conform to the requirements specified in the	FOU Contract includes responsibilities for compliance to all electricity licence	2	Verify if accumulation meters are in compliance with code requirements.	ACTION: Tungsten is seeking advice from Western Power and will establish a database of meters



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	applicable metrology procedure and display, or permit access to a display of, the accumulated electricity production or consumption at the metering point in the manner prescribed.	requirements – metering included. TG confirms that it has installed accumulation meters. TG is unable to verify whether the accumulation meters are in compliance of applicable procedure in this code.			and if necessary, a plan of action to meet compliance with the applicable specifications and guidelines. RESPONSIBILITY: Tungsten Contract Manager DATE: 31 October 2008
352	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.	TG has confirmed Interval meters are not in use. Loads of various feeders show that interval meters maybe required, compliance with code will need to be verified in future works.	3	Verify compliance with code requirements in future works.	ACTION: RIA and Tungsten will comply. RESPONSIBILITY: FOU Contract Manager/Tungsten Contract Manager DATE: Completed.
354	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.	TG confirms that a checklist is available to verify metering installation. No data has been viewed to confirm use of meters at every connection point which is not a Type 7 connection point.	3	RIA to verify.	ACTION: Tungsten will provide data to confirm compliance or if required, prepare a plan of action to meet compliance. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
355	A network operator must, for each metering installation on its network, on and from the time of its connection to the network, provide, install, operate and maintain the metering installation in the manner prescribed (unless otherwise agreed).	FOU Contract is in place to operate and maintain metering installations to the requirements of the Licence. RIA is not able to verify if any of the existing installation complies with the licence requirements.	3	RIA to investigate and verify.	ACTION: The RIA will seek independent advice to verify compliance or if required, prepare a plan of action to meet compliance. RESPONSIBILITY: FOU Contract Manager DATE: 30 October 2008
356	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.	FOU Contract is in place to install and maintain metering installations to the requirements of the Licence. RIA is not able to verify if any of the existing installation complies with the licence requirements.	2	RIA to investigate and verify.	ACTION: The RIA will seek independent advice to verify compliance or if required, prepare a plan of action to meet compliance. RESPONSIBILITY: FOU Contract Manager DATE: 30 October 2008

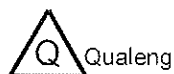


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358	If a network operator becomes aware that a metering installation does not comply with the Code, the network operator must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.	FOU Contract is in place with TG to ensure compliance with the requirements of the licence. However, RIA is not able to verify if any of the existing installations does not comply with the code.	3	RIA to investigate and verify.	ACTION: The RIA will seek independent advice to verify compliance or if required, prepare a plan of action to meet compliance. RESPONSIBILITY: FOU Contract Manager DATE: 30 October 2008
360	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.	FOU Contract is in place to install and maintain metering installations to the requirements of the Licence. Checks have been carried out however RIA is not able to verify if all of the existing installation comply with the licence requirements.	3	RIA to investigate and verify.	ACTION: The RIA will seek independent advice to verify compliance or if required, prepare a plan of action to meet compliance. RESPONSIBILITY: FOU Contract Manager DATE: 30 October 2008
361	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.	FOU Contract is in place to install and maintain metering installations to the requirements of the Licence. TG confirms that a checklist is available to verify metering installation. No data has been viewed to verify if any of the existing installation complies with the licence requirements (also refer to item 352)	3	RIA to investigate and verify.	ACTION: The RIA will seek independent advice to verify compliance or if required, prepare a plan of action to meet compliance. RESPONSIBILITY: FOU Contract Manager DATE: 30 October 2008
363	If compensation is carried out within the meter then the resultant metering system error must be as close as practicable to zero.	Ditto 361.	3	RIA to confirm.	ACTION: The RIA will seek independent advice to verify compliance or if required, prepare a plan of action to meet compliance. RESPONSIBILITY: FOU Contract Manager DATE: 30 October 2008
371	A network operator must maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for	FOU Contract is in place to maintain metering installations to the requirements of the Licence. No reports have been viewed of auditing/ verification during	3	Refer to opportunities for improvement for additional recommendation.	ACTION: RIA/Tungsten to retrieve documentation to verify compliance. RESPONSIBILITY: Tungsten Contract Manager



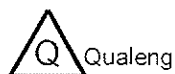
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	maintenance and auditing purposes.	the audit period to check if any of the existing installation comply with the licence requirements. <u>Post Audit Action:</u> Drawings were viewed and found satisfactory, refer to opportunities for improvement for additional recommendation).			DATE: Completed.
375	If, under clause 3.14(2) of the Code, a metering installation uses metering class CTs and VTs that do not comply with the prescribed requirements, then the network operator must either (or both) install meters of a higher class accuracy or apply accuracy calibration factors within the meter in order to achieve the overall accuracy requirements prescribed.	Validation of meter accuracy was not available during the audit.	2	Verification of meter accuracy is required.	ACTION: Tungsten will undertake meter testing. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
376	A network operator must ensure that a Type 1 metering installation to Type 5 metering installation on the network has the facilities and functionality prescribed.	Ditto Not applicable as no Type 1 to 5 metering installation was present on Rottneest Island prior to Code application. Future installations will require check of compliance.	3	Future meter installations will require check of compliance.	ACTION: Future meter installations will be checked for compliance or if required, prepare a plan of action to meet compliance. RESPONSIBILITY: Tungsten Contract Manager DATE: Completed
384	Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.	FOU Contract is in place to install, operate and maintain metering installations to the requirements of the Licence. RIA is not able to verify if any of the existing installation complies with the licence requirements.	3	RIA to investigate and verify.	ACTION: Tungsten will undertake meter testing or if required, prepare a plan of action to meet compliance RESPONSIBILITY: Tungsten Contract Manager DATE: Completed
391	A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the	FOU Contract is in place to install metering installations to the requirements of the Licence. List of competencies or registered installation	3	List of registered installation providers to be published.	ACTION: Tungsten to retrieve a list of competencies and RIA to publish list on its website. RESPONSIBILITY: Tungsten Contract Manager

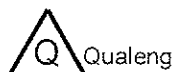


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	list.	providers was not available at the time of the audit.			DATE: Completed
392	A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network.	FOU Contract is in place to operate and maintain metering in accordance with the requirements of the Licence. A meter register is available however not to the extent required by the Code.	2	A metering database will be required to the extent required by the Code.	ACTION: Tungsten will upgrade its database to ensure compliance RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
394	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.	No disaster recovery plan is available at present, incorporating a rebuild of the metering database and the availability of energy data within 2 days of any disaster.	2	RIA to provide a disaster recovery plan which includes a rebuild of its metering database and the availability of energy data within 2 days of any disaster.	ACTION: Tungsten to provide explanation of its operation which will include its methods for data recovery and rebuild of metering database. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 November 2008
395	A network operator must ensure that its registry complies with the Code and the prescribed clause of the market rules.	Ditto 392.	2	Ditto 392.	ACTION: Tungsten will upgrade its database to ensure compliance RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
396	The standing data for a metering point must comprise at least the items specified.	Ditto 392.	2	Ditto 392.	ACTION: Tungsten will upgrade its database to ensure compliance RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
398	A Code participant must not knowingly permit the registry to be materially inaccurate.	Ditto 392.	2	Ditto 392.	ACTION: Tungsten will upgrade its database to ensure compliance RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
404	A network operator must have security devices and methods in place that ensure that energy data held in its metering installation and data held in its metering database is secured from unauthorized local or remote access, in the manner prescribed, sufficient	Ditto 392.	2	Ditto 392.	ACTION: Tungsten will upgrade its database to ensure compliance RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008

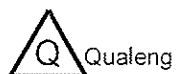


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	to the standard of good electricity industry practice.				
405	A network operator must ensure that electronic passwords and other electronic security controls are secured from unauthorized access and are only issued to authorized personnel.	Ditto 404. Security access procedures are in place requiring account login and password to be authorised.	3	Ditto 404.	ACTION: Tungsten will upgrade its database to ensure compliance RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
406	A network operator must retain energy data in its metering database for each metering point on its network for at least the periods, and with the level of accessibility, prescribed.	Ditto 392.	2	Ditto 392.	ACTION: Tungsten will upgrade its database to ensure compliance RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
409	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 within the timeframes prescribed.	Ditto 392.	2	Ditto 392.	ACTION: Tungsten will upgrade its database to ensure compliance RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
410	A network operator must, for each accumulation meter on its network, use reasonable endeavours to undertake a meter reading that provides an actual value at least once in any 12 month period.	FOU Contract places the responsibility for meter reading on the FOU Contractor, however no documentation was found specifying minimum requirement.	2	Requires documentation of meter reading process and requirements.	ACTION: RIA to forward a letter to Tungsten stating requirement for meter reading. RESPONSIBILITY: FOU Contract Manager DATE: Completed
425	A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	FOU Contract includes responsibilities for compliance to all electricity licence requirements – metering included. TG is aware of responsibility. RIA is currently unable to satisfactorily verify and/or response to this code. Further work is in progress.	2	RIA to verify requirement and ensure compliance.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure compliance. RESPONSIBILITY: FOU Contract Manager/Tungsten Contract Manager DATE: 30 September 2008
444	A network operator must validate energy data in accordance with this Code	FOU Contract is in place to manage metering installations to the requirements of the	2	RIA to confirm validation of energy data.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure



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	applying, as a minimum, the prescribed rules and procedures and must, where necessary, substitute and estimate energy data under this Code applying, as a minimum, the prescribed rules and procedures.	Licence. RIA is not able to verify if energy data validation complies with the licence requirements.			compliance. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 September 2008
448	Substitution or estimation of energy data is to be required when energy data is missing, unavailable or corrupted, including in the circumstances described.	Code is covered by - CSC (clauses 2.4 & 2.5) - Section 8.4 in the Standard Form Contract - FOU Contract requirements, schedule 7, item 1. A procedure for meter reading and data interpretation/entry was not viewed.	2	A procedure is required to document the requirement of the code to the meter reader and for data validation.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure compliance. RESPONSIBILITY: Tungsten Contract manager DATE: 30 October 2008
449	A network operator must review all validation failures before undertaking any substitution.	Ditto 448.	2	Ditto 448.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure compliance. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
450	A network operator that determines that there is no possibility of determining an actual value for a metering point must designate an estimated or substituted value for the metering point to be a deemed actual value for the metering point.	Ditto 448.	2	Ditto 448.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure compliance. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
451	A network operator that has designated a deemed actual value for a metering point must repair or replace the meter or one or more of components of metering equipment (as appropriate) at the metering point.	Ditto 448.	2	Ditto 448.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure compliance. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
452	A network operator that uses an actual value (first value) for energy data for a metering point, and a better quality actual or deemed	Ditto 448.	2	Ditto 448.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure compliance.



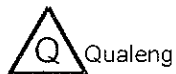
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	actual value is available (second value), must replace the first value with the second value if doing so would be consistent with good electricity industry practice.				RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
453	A network operator that 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), must replace the first value with the second value if doing so would be consistent with good electricity industry practice.	Ditto 448.	2	Ditto 448.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure compliance. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
454	A network operator that 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), 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.	Ditto 448.	2	Ditto 448.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure compliance. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
456	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.	Ditto 444.	2	Ditto 444.	ACTION: Tungsten to provide information to RIA and if necessary RIA will ensure compliance. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
463	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.	Intent of compliance demonstrated in Management Meetings, FOU Contract and interviews with CEO and various managers.	3	RIA to verify compliance with this code requirement.	ACTION: The RIA's facility manager, Tungsten, is creating an internal process to review and an electricity licence compliance



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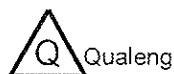
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		There is partial compliance with this requirement. Further work is in progress to achieve full compliance.			<p>database.</p> <p>Compliance issue to become a standing item on weekly management meeting between Tungsten and the RIA.</p> <p>RESPONSIBILITY: Tungsten Contract Manager</p> <p>DATE: Meeting component Completed. Data base 30 October 2008.</p>

1.4 ASSET MANAGEMENT SYSTEM REVIEW

Item	Asset Management Element/ Effectiv.Rating	Summary of Finding	Compl Ratg	Recommended Corrective Actions	Post Audit Action Plan
1	Asset Planning	Asset strategies are evaluated in Draft Asset Management Plan, March 2008 (AMP), which includes maintenance, restoration and replacement strategies.	3	Finalise AMP.	<p>ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration.</p> <p>RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services</p> <p>DATE: 30 November 2008</p>
1.7	Asset Planning Likelihood and consequences of asset failure are predicted	At the time of the audit a Risk Management Plan (RMP) by TG was in draft (includes Risk Profile dated May 2007) and activities such as risk management workshop and risk profiling were not complete.	2	Complete Risk Matrices, risk profiling, risk management workshop and Risk Management Plan.	<p>ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. The draft includes the Risk Management documentation.</p> <p>RESPONSIBILITY: Contract Manager/Director Finance and Business Services</p>

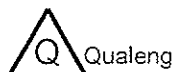


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Item	Asset Management Element/ Effectiv.Rating	Summary of Finding	Compl Ratg	Recommended Corrective Actions	Post Audit Action Plan
					DATE: 30 November 2008
2.2	Asset Creation and Acquisition: Evaluations include all life-cycle costs	Records exist for life-cycle costs for plant and forward estimates are available up to 2012, however business case evaluations did not include all information required.	2	Whole of life costing including operating, consumables, maintenance costs should be made available in evaluations.	ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
2.4	Commissioning tests are documented and completed	There was no evidence of commissioning test records for plant installed in the recent past, like the Low Load Generators.	0	Commissioning test should be documented.	ACTION: The RIA will seek verification of commission testing of the Low Load Generators from the installer. RESPONSIBILITY: FOU Contract Manager DATE: 30 October 2008
3.3	Asset Disposal Disposal alternatives are evaluated	A Disposal Plan is noted in the Draft Asset Management Plan, March 2008, however no details are included in the AMP at this point.	2	Complete AMP and Disposal Plan.	ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
4	Environmental Analysis	Activities such as risk management workshop and risk profiling were not complete at the time of the audit.	2	Activities such as risk management workshop and risk profiling to be completed.	ACTION: The risk management workshop was concluded. A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008



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4.1	Opportunities and threats in the system environment are assessed	Long and short range opportunities and threats have been and are addressed in various documents. Activities such as risk management workshop and risk profiling were not complete at the time of the audit.	3	A risk workshop between RIA and TG should be completed.	ACTION: The risk management workshop was concluded. A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
4.3	Compliance with statutory and regulatory requirements	No process was in place yet for monitoring compliance with electricity licence compliance manual.	1	Establish a formal process for assessing and monitoring compliance with the Electricity Licence Compliance Manual.	ACTION: The RIA's facility manager, Tungsten, is creating an internal process to review and an Electricity Licence compliance database. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 October 2008
5	Asset Operations: Operations plans adequately document the processes and knowledge of staff in the operation of assets so that service levels can be consistently achieved.	List of staff competencies was requested but not received.	2	List of staff competencies should be provided.	ACTION: Tungsten to provide a list of staff competencies RESPONSIBILITY: Tungsten Contract Manager DATE: 30 September 2008
5.2	Risk management is applied to prioritise operations tasks	RMP by TG in draft has an incomplete risk profile for power generation and distribution, needs evaluation of risk and identification of controls. Maintenance response mechanism is escalated based on the job risks, no documentation provided.	1	Work is still in progress: risk profile for power generation and distribution needs evaluation of risk and identification of controls. RMP to be completed.	ACTION: A draft of the asset management plan (which includes the risk management plan) prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
5.3	Assets are documented in an Asset Register	A collection of asset registers is available, however not all registers include the information required:	1	Asset registers need to be completed and to reflect a format that satisfies the	ACTION: A draft of the asset management plan and system prepared by Tungsten, in



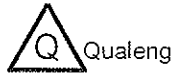
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	including asset type, location, material, plans of components, an assessment of assets' physical / structural condition and accounting data.	-transformers show age as "old" or "new", no accounting data. - cooling towers are included in the validation register, the asset condition column is blank, no accounting data.		requirements of the licence.	accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
5.4	Operational costs are measured and monitored	No Cost Reports found from TG to RIA since Transfield Services reports. Current FMA Weekly report says that budgets are available but costs to date are not available (11 Jan 08)	2	Reporting of operational costs should be clarified.	ACTION: Tungsten provide detailed monthly cost reports to the RIA for the purpose of invoicing. A copy of a monthly report has been provided to Qualeng RESPONSIBILITY: Tungsten Contract manager DATE: Completed
5.5	Staff receive training commensurate to their responsibilities	Staff qualifications reviewed by RIA at start of FOU Contract. Reviewed TG's "Competency management & training" Procedure. except for safety induction no record of training, training attendance or competency viewed.	3	Record of competency should be made available.	ACTION: Tungsten is required to maintain lists of competencies. A list has been provided to Qualeng. RESPONSIBILITY: Tungsten Contract Manager DATE: Completed
6.3	Asset Maintenance Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule	Low level maintenance tasks are not being completed and are being dealt with on a reactive basis (AMP Sect. 2.4)	2	There should be a plan and a timetable to address incomplete low level maintenance tasks.	ACTION: Tungsten to prepare a plan. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 September 2008
6.5	Risk management is applied to prioritise maintenance tasks	There is no documented process for prioritisation of lower level maintenance tasks, prioritisation is based on personnel expertise.	1	Prioritisation process for maintenance tasks should be documented.	ACTION: Tungsten to prepare a plan. RESPONSIBILITY: Tungsten Contract Manager DATE: 30 September 2008
7.7	Asset Management Information System: Management reports appear adequate for the licensee to monitor licence obligations	Management reports would benefit in completeness by checking compliance to Compliance Manual.	2	Management reports should be reviewed to ensure full compliance with requirements of Electricity Licence.	ACTION: The RIA's facility manager, Tungsten, is creating an internal process to review and an electricity licence compliance database.

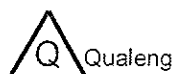


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					RESPONSIBILITY: Tungsten Contract Manager DATE: 30 September 2008
8	Risk Management	RMP prepared by RIA deal with policy, exec. and senior management responsibilities and generic process for dealing with management of risk. TG's RMP is still in draft form.	1	TG's RMP requires to be finalised.	ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. The draft AMP contains the RMP. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
8.1	Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system	A Risk Management Plan (Issued May 2007) by TG (Draft) (RMP TG) exist which appears to pre-date current FOU. FOU Contract sets responsibility for RMP on TG, due March 2008.	2	TG's RMP requires to be finalised.	ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
8.2	Risks are documented in a risk register and treatment plans are actioned and monitored	Risk registers are available in draft and are not complete for power.	1	Risk registers and treatment plans to be completed.	ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. The draft AMP contains the RMP. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
8.3	The probability and consequences of asset failure are regularly assessed	AMP is in draft form, includes reference to risk but does not include this information at present.	2	Probability and consequences of all asset failure needs to be fully documented.	ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities



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					Agreement, is being finalised by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services DATE: 30 November 2008
9	Contingency plans have been developed and tested to minimise any significant disruptions to service standards.	Operators respond to maintenance calls according to a hierarchy of response, however no written plan was seen to define responsibilities/priorities/ actions. No emergency plan viewed to address overall response to failures.	1	A Contingency Plan is required including emergency plan and emergency response procedures: - an emergency plan dealing with hierarchy of responses / priorities / responsibilities and linking to subordinate procedures, addressing actions in the case of explosion, fire, injury, pole or line down, etc., - a first on site response procedure should be available. Testing of Contingency Plan is required to check its performance and maintain its currency and effectiveness.	ACTION: Contingency Plan will be developed and integrated into the RIA's Asset Management Plan and will include testing. RESPONSIBILITY: FOU Contract Manager/Tungsten Contract Manager DATE: 30 November 2008
9.1	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks	Draft AMP March 2008 notes that procedures need to be put in place to deal with emergencies (sec 2.5).	0	Ditto 9. Actions noted in Draft Asset Management Plan will need to be followed up and monitored.	ACTION: Tungsten and RIA will develop a process to monitor actions in Draft AMP. RESPONSIBILITY: Tungsten Contract Manager/FOU Contract Manager DATE: 30 November 2008
12.2	AMS Independent reviews (eg internal audit) are performed of the asset management system	AMP provides intent for application of Performance audits or compliance audits on assets, procedures and processes (Sec. 2.5). No schedule included.	2	The AMP should include or refer to a schedule for internal audits. Monitor that audits are carried out across the assets and critical processes.	ACTION: A draft of the asset management plan and system prepared by Tungsten, in accordance with the Facilities Operations and Utilities Agreement, is being finalised by the RIA's administration. RESPONSIBILITY: Tungsten Contract Manager/Director Finance and Business Services



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2 Additional Observations / Opportunities for Improvement

Item	Licence Conditions	Findings	Recommended Improvement Actions	Post Audit Improvement Plan
352	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.	Loads of various feeders show that interval meters maybe required, compliance with code will need to be verified in future works.	Compliance with code will need to be verified in future works.	ACTION: Future meter installations will be checked for compliance. RESPONSIBILITY: FOU Contract Manager/ Tungsten Contract Manager DATE: Completed.
371	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..	Some of the drawings may need updating (1995 issue).	A verification should be carried out to confirm currency of drawings.	ACTION: : Drawings to be reviewed and updated if required. RESPONSIBILITY: FOU Contract Manager/ Tungsten Contract Manager DATE: 30 November 2008
376	A network operator must ensure that a Type 1 metering installation to Type 5 metering installation on the network has the facilities and functionality prescribed.	The annual throughput at connection points may exceed 50 MWh at some points, which would necessitate the use of interval meters (reference Electricity Industry Metering Code 2005, Appendix 1).	There may be a need to review the metering requirements as the annual throughput at connection point may exceed 50 MWh.	ACTION: Future meter installations will be checked for compliance. RESPONSIBILITY: FOU Contract Manager/ Tungsten Contract Manager DATE: Completed.