



McGill Engineering Services Pty Ltd

Engineering, Adjudication & Arbitration Services ABN 45 106 691 169

GOLDFIELDS POWER PTY LTD ELECTRICITY RETAIL LICENCE ERL 4, ELECTRICITY GENERATION LICENCE EGL 11, PERFORMANCE AUDIT REPORT & ASSET MANAGEMENT SYSTEM REVIEW REPORT

Prepared By Kevan McGill
Date 3 December 2008



McGill Engineering Services Pty Ltd

Engineering, Adjudication & Arbitration Services ABN 45 106 691 169

Mr Aron Willis
Chief Executive Officer
Goldfields Power Pty Ltd
Level 36, Central Park
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Dear Mr Willis

Performance Audit Electricity Licences ERL 4 and EGL 11

The fieldwork on the performance audit of Retail Licence ERL 4 and performance audit and asset management review of Generation licence EGL 11 for the audit period (1 June 2006 to 30 June 2008) is complete and I am pleased to submit the report to you.

In my opinion, the licensee maintained, in all material aspects, effective control procedures in relation to the Retail Licence (ERL 4) Generation licence (EGL 11), for the audit period on the relevant clauses referred to within the scope section of this report. While a number of non compliances are noted they are not material for meeting the licence obligations.

Yours sincerely

Kevan McGill
Director

3 December 2008

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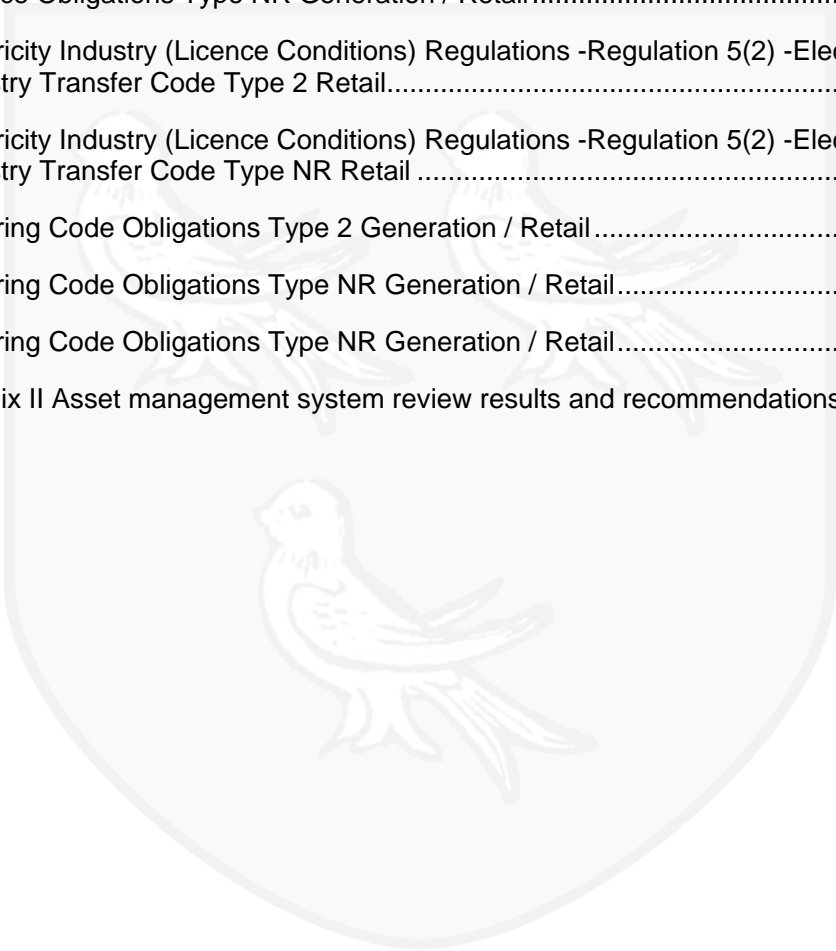
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Executive Summary

This performance audit and asset management review was conducted in accordance with the guidelines issued by the Economic Regulation Authority (*Authority*) for the audit period (1 June 2006 to 30 June 2008).

Overall Conclusion

In my opinion, the licensee maintained, in all material aspects, effective control procedures in relation to the Retail Licence (ERL 4), Generation Licence (EGL 11), for the audit period based on the relevant clauses referred to within the scope section (Page 9) of this report. While a number of non compliances are noted they are not material for meeting the licence obligations.

Performance Audit

A summary of the findings of the performance audit is:

Ratings

The compliance rating for each licence condition using the 5-point rating scale is described below.

Operational/performance compliance rating scale

Compliance status	Rating	Description of compliance
COMPLIANT	5	Compliant with no further action required to maintain compliance
COMPLIANT	4	Compliant apart from minor or immaterial recommendations to improve the strength internal controls to maintain compliance
COMPLIANT	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
NON-COMPLIANT	2	Does not meet minimum requirements
SIGNIFICANTLY NON-COMPLIANT	1	Significant weaknesses and/or serious action required

The results are summarised below.

Assessment	Licence obligations	Audit priority 4	Audit priority 5
Compliant 5	31	18	13
Compliant 4	2	1	1
Compliant 3			
Non-compliant 2	4	4	
Significantly non compliant 1			
Not rated	47	36	11

* Note Where an obligation was not exercised in the audit period, it was not possible to form an opinion about compliance and the item was not rated.

Asset Management Review

The findings of the asset management review are summarized as;

Ratings

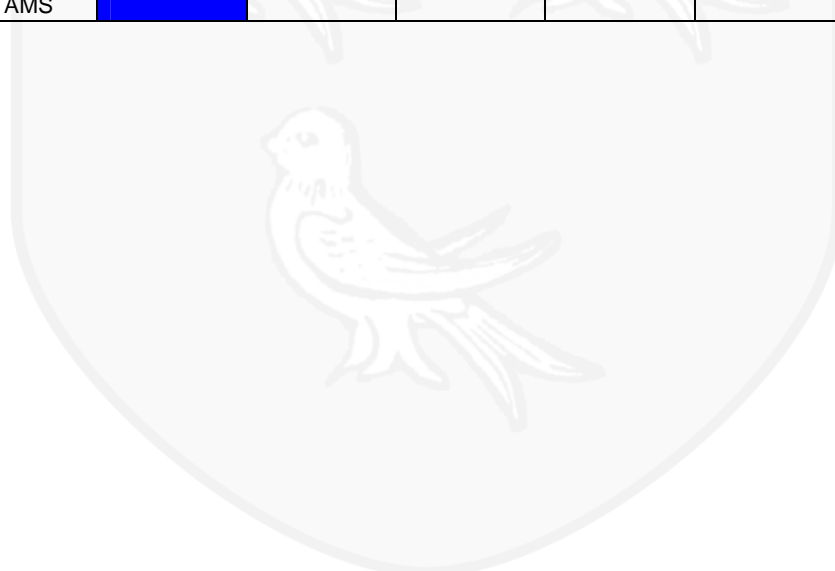
The effectiveness ratings for each key process in the licensee's asset management system using the 6-point scale are described below.

Asset management review effectiveness rating scale

Effectiveness	Rating	Description
Continuously improving	5	Continuously improving organisation capability and process effectiveness
Quantitatively controlled	4	Measurable performance goals established and monitored
Well-defined	3	Standard processes documented, performed and coordinated
Planned and tracked	2	Performance is planned, supervised, verified and tracked
Performed informally	1	Base practices are performed
Not performed	0	Not performed (indicate if not applicable)

Asset management effectiveness summary

Asset Management System	Not performed	Performed informally	Planned and tracked	Well defined	Quantitatively controlled	Continuously improving
Process Effectiveness Rating	0	1	2	3	4	5
Asset planning						
Asset creation/ acquisition						
Asset disposal						
Environmental analysis						
Asset operations						
Asset maintenance						
Asset Management Information System						
Risk management						
Contingency planning						
Financial planning						
Capital expenditure planning						
Review of AMS						



PERFORMANCE AUDIT

Performance Audit Objectives

Under section 13 of the *Electricity Industry Act 2004* (the Act), it is a requirement that every licensee provide the Economic Regulation Authority (*Authority*) not less than once in every period of 2 years with a performance audit conducted by an independent expert acceptable to the *Authority*.

The primary objective of the operational audit is to audit the effectiveness of measures taken by the Licensee to maintain quality and performance standards. The Act states a performance audit is an audit of the effectiveness of measures taken by the licensee to meet the performance criteria specified in the licence. The licence states that performance standards are contained in *applicable legislation*. Performance criteria are defined in the licence as:

- (a) the terms and conditions of the *licence*; and
- (b) any other relevant matter in connection with the *applicable legislation* that the *Authority* determines should form part of the *performance audit*.

The licence also provides for individual licence conditions namely - the *Authority* may prescribe *individual performance standards* in relation to the *licensee* of its obligations under this *licence* or the *applicable legislation* (the Act and subordinate legislation).

The *Authority* has summarised the performance requirements in various legislation in its Electricity compliance reporting manual (March 2008)¹.

McGill Engineering Services Pty Ltd has been engaged to carry out the performance audit for Electricity Retail Licence ERL 4, Generation Licence EGL 11 for Goldfield Power Pty Ltd.

Audit Period

The audit period is 1 June 2006 to 30 June 2008.

Scope Limitation

The review was undertaken by examination of documents, interviews with key persons and observations and is not a detailed inspection of physical items.

Excluded Conditions

Licence conditions applying to small use consumers have been excluded as the licensee has no small use consumers, accordingly conditions 72-77, 78-80, 88, 89, 93, 94; 97-

¹ Electricity compliance reporting manual, March 2008

102, 434 and 448-449 have been excluded from the audit. Conditions relating to the Electricity Corporations are not applicable (90-92, 333, 434, 439-443). Conditions relating to covered networks are not relevant (95). Conditions relating to the Code of Conduct for the supply of electricity to small use consumers (113 to 299 & 368-369) have been excluded as these apply to small use consumers only.

Note that the reporting manual requires compliance with the Customer Transfer Code as a requirement of the Electricity (Licence Compliance) Regulations 2005 but these regulations only apply to the Electricity Corporation (Verve, Western Power, Synergy and Horizon Power). However, it is an obligation of the Licence Clause 5 to comply with applicable Codes and accordingly compliance is reported in this audit.

Inherent Limitations

Because of the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected.

An audit is not designed to detect all weaknesses in compliance measures as an audit is not performed continuously throughout the period and the audit procedures performed on the compliance measures are undertaken on a test basis.

Any projection of the evaluation of the operating licences to future periods is subject to the risk that the compliance measures in the plans may become inadequate because of changes in conditions or circumstances, or that the degree of compliance with them may deteriorate.

The audit opinion expressed in this report has been formed on the above basis.

Scope of the Audit

The *Authority* guideline² for performance audits sets out that the audit should be conducted in 3 phases.

1. Risk and Materiality Assessment

With reference to AS/NZS4360 Risk Management a preliminary assessment was made of the risk and materiality of non-compliance with the required licence conditions in order to focus the audit effort on areas of higher compliance risk and identify areas for testing and analysis.

2. System Analysis, Assertion Setting and Review

Through discussion, observation and review, a sample of cases or data was analysed relating to the licensee's quality and performance systems and standards against requirements of the Licence conditions to be audited.

² Audit Guidelines: Electricity, Gas and Water Licences, September 2006

3. Fieldwork: Testing and Analysis

Using the results of the risk assessment and systems analysis, detailed testing and analysis was performed to compare those standards maintained by the licensee with the relevant clauses of the Licence.

During this audit the Perth office and Kalgoorlie licence areas were visited.

There are no actions taken in response to recommendations in previous audit to follow up as this is the first audit.

The report to the licensee and the *Authority* clearly expresses the opinion of the auditor in respect of the findings of the audit.

The key contacts were:

- Licensee
 - Dan Cannon, Harry Fernandez, Wana Yang, Keith Adams and Scott Norris
- McGill Engineering Services Pty Ltd
 - Kevan McGill, John McLoughlin

The audit was conducted during October and November 2008 with the final audit report submitted to the Authority on 28 November 2008.

Audit Requirements

Compliance with licence conditions was examined according to the likely inherent risk and the adequacy of controls to manage that risk.

Nature of audit work conducted

The *Authority* guidelines for performance audits require that the audit considers:

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

Stage	Auditor	Standard
1. Risk & Materiality Assessment Outcome - Operational/ Performance Audit Plan	K McGill	ASA 300 replaces AUS 302: Planning ASA 315 replaces AUS 402: Risk Assessments and Internal Controls AUS 808: Planning Performance Audits AS/NZS 4360:2004: Risk Management ERA Guidelines
2. System Analysis	K McGill	AUS 810: Special Purpose Reports on Effectiveness of Control Procedures
3. Fieldwork Assessment and testing of; <ul style="list-style-type: none"> • The control environment • Information system • Compliance procedures • Compliance attitude 	K McGill John McLoughlin	AUS 502: Audit Evidence AUS 806: Performance Auditing
4. Reporting	K McGill	ASA 300 replaces AUS 302 Planning AUS 806: Performance Auditing

Relationship between licences

The licensee has two licences and is essentially vertically integrated and has a related distributor/transmitter and accordingly the need for protocols for interfaces between the licence types is not a required business function. The licensee also has two customers and the relationship with these customers is detailed in the specific contracts so there is no business need for protocols to deal with customer/licensee interfaces.

The licensees are special vehicles for the supply of electricity and some of the strategic asset management functions are carried out by the owning entities such as Trans Alta Australia Pty Ltd in Australia and Trans Alta Corporation in Canada. There is a division of an asset management system where the owners carry out the strategic asset planning and the licensee carries out the shorter term and operational functions. The spirit of the asset management system obligations are met but not by the licensed entities.

Overall Conclusion

In my opinion, the licensee maintained, in all material aspects, effective control procedures in relation to the Retail (ERL 4) and Generation (EGL 11) licences for the audit period based on the relevant clauses referred to within the scope section (Page 9) of this report. While a number of non compliances are noted they are not material for meeting the licence obligations.

Findings

The conclusions of each of the elements of the licence are summarised in the following table. The audit risk as determined for each licence condition is also shown. The details of the audit can be seen in Appendix I (Page20)

Item	Licence obligation	Review priority	Rating	Rating					
				0	1	2	3	4	5
Licence conditions Type 2 Generation									
83.	16.1 & 16.2/19.1 & 19.2 /16.1 & 16.2 EIA s14(1)(b)	4	Compliant 5						
103	12.2/15.2/12.2 EIA s11	4	Not rated						
104	12.3/15.3/12.3 EIA s11	4	Compliant 5						
108	16.4/19.4.16.4 EIA s11	4	Compliant 5						
Licence conditions Type 2 Retail									
96	5.1/5.1/5.1 EIA s115(2)	4	Compliant 5						
Licence conditions Type 2 Generation/Retail									
87.	5.1/5.1/5.1/5.1 EIA s41(6)	4	Not rated						
105	13.1/20.1/16.1/13.1 EIA s11	4	Compliant 4						
107	15.2/22.2/18.2/15.2 EIA s11	4	Not rated						
109	17.1/23.1/20.1/17.1 EIA s11	4	Compliant 5						
110	18.1/24.1/21.1/18.1 EIA s11	4	Not rated						
111	19.2/25.2/22.2/19.2 EIA s11	4	Compliant 5						
112	20.1/26.1/23.1/20.1 EIA s11	4	Not rated						
Licence conditions Type NR Generation									
82.	16.1/19.1/16.1 EIA s14(1)(a)	5	Compliant 4						
84	16.3/19.3/16.3 EIA s14(1)(c)	5	Compliant 5						
Licence conditions Type NR Generation/Retail									
81.	15.1/22.1/18.1/15.1 EIA s13(1)	5	Compliant 5						
85.	4.1/4.1/4.1/4.1 EIA s17(1)	5	Compliant 5						
86	5.1/5.1/5.1/5.1 EIA s31(3)	5	Compliant 5						
Electricity Industry (Licence Conditions) regulations r 5(2) - Customer Transfer Code Type 2 Retail									
6	3.2(2) ³	4	Compliant 5						

³ Electricity Industry Customer Transfer Code number

7	3.4(1)	4	Not Compliant							
8	3.5(3)	4	Compliant 5							
9	3.6(2)	4	Not rated							
16	3.9(1)	4	Compliant 5							
17	3.9(2)	4	Compliant 5							
18	3.9(3)	4	Compliant 5							
19	3.9(4)	4	Compliant 5							
23	4.2(2)	4	Not rated							
24	4.3	4	Not rated							
25	4.4(1)	4	Not rated							
26	4.4(2)	4	Not rated							
27	4.5(1)	4	Not rated							
28	4.6(3)	4	Not rated							
29	4.7	4	Not rated							
30	4.8(2)	4	Not rated							
34	4.9(6)	4	Not rated							
39	4.11(3)	4	Not rated							
44	4.16	4	Compliant 5							
45	4.17	4	Not rated							
48	5.1(4)	4	Not Compliant							
49	6.2	4	Not rated							
52	6.4(1)	4	Not rated							
53	6.4(2)	4	Not rated							
54	6.6	4	Not Compliant							
57	7.1(3)	4	Not rated							
69	A6.2(b)	4	Not Compliant							
Electricity Industry (Licence Conditions) regulations r 5(2) - Customer Transfer Code Type NR Retail										
40	4.12(3)	5	Not rated							
43	4.15	5	Not rated							
55	7.1(1)	5	Not rated							
56	7.1(2)	5	Not rated							
58	7.2(4)	5	Not rated							
59	7.3(2)	5	Not rated							
68	A6.2(a) ⁴	5	Compliant 5							
70	A6.6	5	Compliant 5							
71	A6.7	5	Compliant 5							
Licence Clause 5.1 Metering Code Type 2 Generation / Retail										
309	MC 3.5(6)	4	Compliant 5							
319	MC 3.11(3)	4	Compliant 5							
331	MC 3.16(5)	4	Not rated							
342	MC 3.27	4	Not rated							
351	MC 4.5(2)	4	Not rated							
365	MC 5.5(3)	4	Compliant 5							
376	MC 5.16	4	Not rated							
377	MC 5.17(1)	4	Not rated							
378	MC 5.18	4	Not rated							
381	MC 5.19(3)	4	Not rated							
382	MC 5.19(4)	4	Not rated							
390	MC 5.21(5)	4	Not rated							
391	MC 5.21(6)	4	Not rated							
409	MC 5.27	4	Not rated							

⁴ Electricity Industry Customer Transfer Code Annex 6

416	MC 6.1(2)	4	Compliant 5							
420	MC 7.2(4)	4	Not rated							
421	MC 7.2(5)	4	Not rated							
422	MC 7.5	4	Compliant 5							
423	MC 7.6(1)	4	Not rated							
427	MC 8.1(4)	4	Not rated							
Licence Clause 5.1 Metering Code Type NR Generation / Retail										
349	MC 4.4(1)	5	Compliant 5							
350	MC 4.5(1)	5	Compliant 5							
363	MC 5.4(2)	5	Compliant 5							
379	MC 5.19(1)	5	Compliant 5							
380	MC 5.19(2)	5	Compliant 5							
384	MC 5.19(6)	5	Not rated							
418	MC 7.2(1)	5	Compliant 5							
424	MC 8.1(1)	5	Not rated							
425	MC 8.1(2)	5	Not rated							
426	MC 8.1(3)	5	Not rated							
428	MC 8.3(2)	5	Not rated							

Audit Results and Recommendations

Summary of significant results

A number of non compliances have been recorded and for all of these elements there is a case for seeking an exemption from the Office of Energy for an exemption for these items.

Post Audit Implementation Plan

Exemptions to be sought from the Office of Energy from the Transfer Code and Metering Code where they do not make business sense. Manager, Commercial & Business Development, Dan Cannon should be responsible to do this by June 2009.

ASSET MANAGEMENT SYSTEM REVIEW

Asset Management System Review Objectives

Under the *Electricity Industry Act 2004* (the Act) section 14, the licensee must develop and maintain an asset management system to manage the significant asset base for ongoing service delivery to its customers. The Act requires a review of the asset management system every two years (or other time approved by the Economic Regulation Authority - *Authority*).

An asset management system is to set out the measures to be taken by the licensee for the proper maintenance of assets used in the generation of electricity and in the operation and maintenance of, and, where relevant, the construction or alteration of, the generator's assets.

Asset Management System Review Recommendations

The recommendations identify:

- a) The asset management process.
- b) The effectiveness rating.
- c) The issue(s) identified that have resulted in the nominated effectiveness rating.
- d) The recommended action(s) to improve the effectiveness of the asset management process to an acceptable level.

Asset management system review methodology

The asset management review report provides a table that summarises the auditor's assessment of the effectiveness ratings for each key process in the licensee's asset management system using the 6-point scale described below.

The overall effectiveness rating is based on an assessment of the adequacy and effectiveness of the licensee's asset management system.

Use of Audit Processes and Practices

- 1 Accepted audit processes and practices were used to complete the review. These include the sampling techniques associated with process reviews such as interviews to define accountability, observations, document sighting and testing of users.
- 2 The review addressed four key elements of successful delivery of asset management to allow the assessment of the effectiveness of the asset management system. These elements are:
 - Process – the existence of a suitable process for activities
 - Documentation – the existence of a document defining a process

- Availability/accessibility/understanding – the process is understood, available to those required to use it and accessible to them
 - Use- confirmation the process is used consistently
- 3 The audit priorities were determined and include in the asset management system review plan approved by the *Authority*.

The review was conducted by Kevan McGill and John McLoughlin during November 2008.

Audit priority

The *Authority* guidelines for asset management system reviews sets out a rating for audit priority based on inherent risk and existing controls. The following priorities were determined in accordance with the guidelines and audit plan and accepted by the Licensee.

The review priorities and findings are as follows. The detail of the review and findings can be seen in Appendix II (Page 60).

Item	Licence obligation	Inherent Risk	Controls risk requirement	Review priority	Rating					
					0	1	2	3	4	5
1	Asset planning	High	Strong	2						
2	Asset creation/ acquisition	High	Strong	2						
3	Asset disposal	Medium	Moderate	4						
4	Environmental analysis	Medium	Moderate	4						
5	Asset operations	High	Strong	2						
6	Asset maintenance	High	Strong	2						
7	Asset Management Information System	High	Strong	2						
8	Risk management	Medium	Moderate	4						
9	Contingency planning	Medium	Moderate	4						
10	Financial planning	Medium	Moderate	4						
11	Capital expenditure planning	Medium	Moderate	4						
12	Review of AMS	Medium	Moderate	4						

Overall conclusion

In my opinion, the licensee maintained, in all material aspects, an adequate and effective asset management system in relation to the Generation Licence (EGL 11 for the audit period based on the relevant clauses referred to within the scope section (Page 9) of this report. While a number of non compliances are noted they are not material for the effectiveness of an asset management system even if there is a division between the part undertaken by the licensee and those by the owners. While the licensee may be non-complaint the outcome is compliant.

Findings

The conclusions of each of the elements of the licence are summarised in the following table. The audit risk as determined for each licence condition is also shown.

Asset management process	Review risk assessment	Rating	
Asset planning	2	Not performed	0
Asset creation/ acquisition	2	Well defined	3
Asset disposal	4	Well defined	3
Environmental analysis	4	Well defined	3
Asset operations	2	Quantitatively Controlled	4
Asset maintenance	2	Quantitatively Controlled	4
Asset Management Information System	4	Well defined	3
Risk management	4	Well defined	3
Contingency planning	4	Well defined	3
Financial planning	4	Well defined	3
Capital expenditure planning	4	Well defined	3
Review of AMS	4	Not Performed	0

The overall effectiveness rating for each licence condition is based on an assessment of the effectiveness of the licensee's existing control procedures to manage its assets.

Review Results and Recommendations

The following summarises the key results and recommendations

Asset Management Item	Recommendation
Asset Planning	Issue 1
	The licensee conducts the shorter timeframe asset management

	<p>elements (operations, maintenance and contingency planning) consistent with its planning needs. Other than a strategic overview, the elements of an asset management process exist informally.</p> <p>The owner uses a special vehicle to manage the licensed assets and these carry out the core processes such as operations and maintenance. The owning bodies carry out the long term and strategic elements of an asset management system. It would not be appropriate to require the licensed entities to carry out these functions when they are already carried out by the owning companies.</p>
	<p>Recommendation 1</p>
	<p>None - There is no business case for carrying out asset planning when it is carried out by the owning bodies.</p>
<p>AMS review</p>	<p>Issue 1</p> <p>Strategic asset planning is carried out by the owning companies and they carry out continuous review of the process. There is a division of an asset management system where the owners carry out the strategic asset planning and the licensee carries out the shorter term and operational functions. It would not be appropriate to require the licensed entities to carry out these functions when they are already carried out by the owning companies.</p> <p>Recommendation 1</p> <p>None - There is no business case for carrying out asset planning when it is carried out by the owning bodies.</p>

Post Audit implementation Plan

There are no actions required to be carried out.

Audit Evidence

The following evidence was gathered for the audit.

1. Legislation and standards
 - *Electricity Industry Act 2004*
 - Auditing and Assurance handbook
 - Electricity Retail Licence ERL 4
 - Electricity Generation Licence EGL 11
 - Licence maps

2. Licensee's documents
 - Electricity licence application
 - Auditors statement
 - Licence fee payment entries
 - Financial reports
 - Annual compliance report
 - Reliability statistics
 - Licence fees invoices/payment
 - Fixed assets procedure
 - Corporate code of conduct
 - Budget documents

Audit Time

The audit was undertaken by Kevan McGill and John McLoughlin and took approximately 80 hours.

Appendix 1 Performance Audit Detail Results and Recommendations

Licence Obligations Type 2 Generation

Item 83	Generation Licence Clauses 16.1 & 16.2								Compliance rating Compliant 5
<i>Electricity Industry Act section 14(1)(b)</i> The requirement is that a licensee must notify details of the asset management system and any substantial changes to it to the <i>Authority</i> .									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The licensee advised the <i>Authority</i> of the asset management system in the licence application. There have been no substantive changes since.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 103	Generation Licence Clause 12.2								Compliance rating Not rated
<i>Electricity Industry Act section 11.</i> The requirement is that a licensee must amend the asset management system before an expansion or reduction in generating works, distribution systems and transmission systems and notify the <i>Authority</i> in the manner prescribed, if the expansion or reduction is not provided for in the asset management system.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There has been no expansion or reduction of the generating works in the audit period that would require an amendment to the asset management system.									
Issues									
None.									
Recommendations									
None.									
Management Actions									

Not applicable.

Item 104 Generation Licence Clause 12.3							Compliance rating Compliant - 5		
<i>Electricity Industry Act section 11.</i> The requirement is that a licensee must not expand the generating works, distribution systems or transmission systems outside the licence area. If there is any expansion the relevant fees are to be paid.									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
There have been no expansions outside the licence areas.									
Issues									
None.									
Recommendations									
None.									
Management Actions									
Not applicable.									

Item 108 Generation Licence Clause 16.4							Compliance rating Compliant - 5		
<i>Electricity Industry Act section 11.</i> The requirement is that a licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the <i>Authority's</i> standard guidelines dealing with the asset management system.									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
This audit complies with the requirements.									
Issues									
None.									
Recommendations									
None.									
Management Actions									
Not applicable.									

Licence Obligations Type 2 Retail

Item 96	Retail Licence Clause 5.1	Compliance rating Compliant - 5							
<i>Electricity Industry Act section 115(2)</i> A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
No complaints have been received about hindering or prohibiting access.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Licence Obligations Type 2 Generation / Retail

Item 87	Generation Licence Clause 5.1, Retail Licence Clause 5.1	Compliance rating Not rated							
<i>Electricity Industry Act section 41(6)</i> A licensee must pay the costs of taking an interest in land or an easement over land.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
As no interest in land or easement over land has occurred in the audit period, no cost payments arose and compliance or otherwise could not be assessed.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 105	Generation Licence Clause 13.1 / Retail Licence Clause 20.1	Compliance rating Compliant - 4							
<p><i>Electricity Industry Act section 11.</i> A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.</p>									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
<p>The licensee's auditor advises that the joint venture is not required to comply with all Australian accounting standards. The auditor gives an opinion that the financial report represents fairly the financial position of the joint venture and complies with Australian accounting standards to the extent described in the accounts.</p>									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 107	Generation Licence Clause 15.2 / Retail Licence Clause 22.2	Compliance rating Not rated							
<p><i>Electricity Industry Act section 11.</i> A licensee must comply with any individual performance standards prescribed by the Authority.</p>									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
<p>No individual performance standards have been applied. As there has been no activity, performance could not be rated.</p>									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 109	Generation Licence Clause 17.1 / Retail Licence Clause 23.1	Compliance rating Compliant - 5							
<p><i>Electricity Industry Act section 11.</i> A licensee must comply, and require its auditor to comply, with the <i>Authority's</i> standard audit guidelines dealing with the performance audit.</p>									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
This audit is in accordance with the <i>Authority's</i> guidelines.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 110	Generation Licence Clause 18.1 / Retail Licence Clause 24.1	Compliance rating Not rated							
<p><i>Electricity Industry Act section 11.</i> A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.</p>									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
The licensee is not under external administration nor has there been a significant change in the circumstances on which the licence was granted and therefore no need to advise the <i>Authority</i> .									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 111	Generation Licence Clause 19.2 / Retail Licence Clause 25.2	Compliance rating Compliant - 5
<p><i>Electricity Industry Act section 11.</i> A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.</p>		

Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The licensee has provided the information in the manner prescribed to the <i>Authority</i> .									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 112	Generation Licence Clause 20.1 / Retail Licence Clause 26.1	Compliance rating Not rated							
<i>Electricity Industry Act section 11.</i> Unless otherwise specified, all notices must be in writing.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There has not been a requirement to issue notices.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Licence Obligations Type NR Generation

Item 82	Generation Licence Clause 16.1	Compliance rating Compliant 4							
<i>Electricity Industry Act section 14(1)(a).</i> A licensee must provide for an asset management system.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
This review has examined the asset management system and finds that while a good system some enhancements are possible. From the licensees perspective two functions									

are not carried out but they are by the owning bodies such as Trans Alta Australia Pty Ltd I Australia or Trans Alta Corporation in Canada.
Issues
None
Recommendations
None
Management Actions
Not applicable

Item 84	Generation Licence Clause 16.3	Compliance rating Compliant 5							
<i>Electricity Industry Act section 14(1)(c).</i> A licensee must provide the Authority with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the Authority.									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
This review satisfies the requirement.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Licence Obligations Type NR Generation / Retail

Item 81	Generation Licence Clause 15.1 / Retail Licence Clause 22.1	Compliance rating Compliant - 5							
<i>Electricity Industry Act section 13(1)</i> A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
This audit satisfies the requirement.									

Issues
None
Recommendations
None
Management Actions
Not applicable

Item 85	Generation Licence Clause 4.1 / Retail Licence Clause 4.1	Compliance rating Compliant - 5							
<i>Electricity Industry Act section 17(1)</i> A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.									
Observations									
Process	P	Outcome	P	Output	P	Reporting	P	Compliance	P
The fees have been paid within a month of being received.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 86	Generation Licence Clause 5.1 / Retail Licence Clause 5.1	Compliance rating Compliant - 5							
<i>Electricity Industry Act section 31(3)</i> A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.									
Observations									
Process	P	Outcome	P	Output	P	Reporting	P	Compliance	P
The licensee has significant penalties in its contracts with its customers for interruptions, suspension or restrictions of supply.									
Issues									
None									
Recommendations									

None
Management Actions
Not applicable

Electricity Industry (Licence Conditions) Regulations -Regulation 5(2) -Electricity Industry Transfer Code Type 2 Retail

Item 6	Retail Licence Clause 5.1									Compliance rating Compliant - 5
<i>Electricity Industry Customer Transfer Code clause 3.2(2)</i> A retailer must submit a separate data request for each exit point unless otherwise agreed.										
Observations										
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ	
The information needs are specified in the contracts with customers. The customers have agreed (via contract) to receive a consolidated account for all exit points.										
Issues										
None										
Recommendations										
An exemption is sought from this requirement of the Code.										
Management Actions										
Approach the Office of Energy to seek an exemption from this requirement.										

Item 7	Retail Licence Clause 5.1									Compliance rating Not Compliant - 2
<i>Electricity Industry Customer Transfer Code clause 3.4(1)</i> A retailer, unless otherwise agreed, must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day.										
Observations										
Process	Ⓨ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓨ	Compliance	Ⓨ	
As the licensee is essentially vertically integrated there is no business need for protocols for passing information to their retailer.										
Issues										
None										

Recommendations
An exemption is sought from this requirement of the Code.
Management Actions
Approach the Office of Energy to seek an exemption from this requirement.

Item 8	Retail Licence Clause 5.1	Compliance rating Compliant - 5							
<i>Electricity Industry Customer Transfer Code clause 3.5(3)</i> A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
No complaints have been received by the licensee about providing historical data without verifiable consent.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 9	Retail Licence Clause 5.1	Compliance rating Not rated							
<i>Electricity Industry Customer Transfer Code clause 3.6(2)</i> A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a withdrawn request for historical consumption data.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
No requests for historical consumption data have been withdrawn.									
Issues									
None									
Recommendations									
None									

Management Actions
Not applicable

Item 16	Retail Licence Clause 5.1	Compliance rating Compliant - 5							
<p><i>Electricity Industry Customer Transfer Code clause 3.9(1)</i> A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.</p>									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
No complaints have been received by the licensee about using data relating to another contestable customer to provide a quotation for transfer of a contestable customer.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 17	Retail Licence Clause 5.1	Compliance rating Compliant - 5							
<p><i>Electricity Industry Customer Transfer Code clause 3.9(2)</i> A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.</p>									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
No complaints have been received by the licensee about aggregating historical consumption data of one customer with that of another customer where the customer has requested that it not be aggregated.									
Issues									
None									
Recommendations									
None									

Management Actions
Not applicable

Item 18	Retail Licence Clause 5.1	Compliance rating Compliant - 5							
<i>Electricity Industry Customer Transfer Code clause 3.9(3)</i> A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.									
Observations									
Process	P	Outcome	P	Output	P	Reporting	P	Compliance	P
No complaints have been received by the licensee about disclosing data of one customer to any other person without their verifiable consent.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 19	Retail Licence Clause 5.1	Compliance rating Compliant - 5							
<i>Electricity Industry Customer Transfer Code clause 3.9(4)</i> A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.									
Observations									
Process	P	Outcome	P	Output	P	Reporting	P	Compliance	P
The customer contracts establish verifiable consent and these are retained. The contracts have been in existence for much more than two years.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 23	Retail Licence Clause 5.1	Compliance rating Not rated							
<p><i>Electricity Industry Customer Transfer Code clause 4.2(2)</i> A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.</p>									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 24	Retail Licence Clause 5.1	Compliance rating Not rated							
<p><i>Electricity Industry Customer Transfer Code clause 4.3</i> A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.</p>									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 25	Retail Licence Clause 5.1	Compliance rating Not rated
<p><i>Electricity Industry Customer Transfer Code clause 4.4(1)</i> A retailer may only submit a customer transfer request if it has an access contract for the</p>		

network, unless it is to reverse an erroneous transfer.									
Observations									
Process	✓	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	□
There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 26	Retail Licence Clause 5.1	Compliance rating Not rated							
<i>Electricity Industry Customer Transfer Code clause 4.4(2)</i> A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.									
Observations									
Process	✓	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	□
There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 27	Retail Licence Clause 5.1	Compliance rating Not rated
<i>Electricity Industry Customer Transfer Code clause 4.5(1)</i> A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date.		
Observations		

Process	✓	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	☐
There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 28	Retail Licence Clause 5.1	Compliance rating	Not rated						
<i>Electricity Industry Customer Transfer Code clause 4.6(3)</i> A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.									
Observations									
Process	✓	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	☐
There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 29	Retail Licence Clause 5.1	Compliance rating	Not rated						
<i>Electricity Industry Customer Transfer Code clause 4.7</i> A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.									
Observations									
Process	✓	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	☐
There have been no customer transfers in the audit period.									

Issues
None
Recommendations
None
Management Actions
Not applicable

Item 30	Retail Licence Clause 5.1	Compliance rating Not rated							
<i>Electricity Industry Customer Transfer Code clause 4.8(2)</i> A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 34	Licence Clause 5.1	Compliance rating Not rated							
<i>Electricity Industry Customer Transfer Code clause 4.9(6)</i> A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.									
Observations									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
The network operator reads the meters remotely and manually daily. There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									

None
Management Actions
Not applicable

Item 39	Licence Clause 5.1	Compliance rating Not rated							
<i>Electricity Industry Customer Transfer Code clause 4.11(3)</i> A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
The network operator reads the meters remotely and manually daily. There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 44	Retail Licence Clause 5.1	Compliance rating Compliant - 5							
<i>Electricity Industry Customer Transfer Code clause 4.16</i> An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The licensee retains contracts (which establish verifiable consent) for at least two years.									
Issues									
None									
Recommendations									
None									
Management Actions									

Not applicable

Item 45	Retail Licence Clause 5.1	Compliance rating Not rated							
<i>Electricity Industry Customer Transfer Code clause 4.17</i> A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.									
Observations									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 48	Licence Clause 5.1	Compliance rating Not Compliant - 2							
<i>Electricity Industry Customer Transfer Code clause 5.1(4)</i> A network operator and a retailer must comply with approved communication rules.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
There are no approved communication rules. There is no business need for protocols for communication between retailer and the related distributor (Southern Cross Energy). Communications with Western Power is standard. Communications with customers are established by contract.									
Issues									
None									
Recommendations									
The Licensee should seek an exemption to this requirement.									
Management Actions									
The Licensee should approach the Office of Energy to seek an exemption from this requirement.									

Item 49	Licence Clause 5.1								Compliance rating Not rated
<i>Electricity Industry Customer Transfer Code clause 6.2</i> A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
Data requests are established by contract with the customers and relate to their exit points. There have been no customer transfers in the audit period.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 52	Retail Licence Clause 5.1								Compliance rating Not rated
<i>Electricity Industry Customer Transfer Code clause 6.4(1)</i> A retailer must notify its contact details to a network operator within three business days of a request.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
As the licensee is essentially related there is no need to notify contact details which are their own. There has been no change in contact details.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 53	Retail Licence Clause 5.1								Compliance rating Not rated
<i>Electricity Industry Customer Transfer Code clause 6.4(2)</i> A retailer must notify any change in its contact details to a network operator at least three									

business days before the change takes effect.									
Observations									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
There has been no change in contact details.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 54	Licence Clause 5.1							Compliance rating Not Compliant - 2	
<i>Electricity Industry Customer Transfer Code clause 6.6</i> A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
There is no business need for protocols for communication between retailer and the related distributor (Southern Cross Energy).. Communications with customers are established by contract. Communications with Western Power are standard.									
Issues									
None									
Recommendations									
The Licensee should seek an exemption to this requirement.									
Management Actions									
The Licensee should approach the Office of Energy to seek an exemption from this requirement.									

Item 57	Licence Clause 5.1							Compliance rating Not rated	
<i>Electricity Industry Customer Transfer Code clause 7.1(3)</i> If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.									

Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	☐
There have been no transfer disputes.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 69	Licence Clause 5.1							Compliance rating Not Compliant - 2	
<i>Electricity Industry Customer Transfer Code clause A6.2(b)</i> A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.									
Observations									
Process	✓	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	✓
There is no business need for protocols for communication between retailer and distributor which are essentially related. Communications with customers are established by contract. Communications with Western Power are standard.									
Issues									
None									
Recommendations									
The Licensee should seek an exemption to this requirement.									
Management Actions									
The Licensee should approach the Office of Energy to seek an exemption from this requirement.									

Electricity Industry (Licence Conditions) Regulations -Regulation 5(2) -Electricity Industry Transfer Code Type NR Retail

Item 40	Licence Clause 5.1							Compliance rating Not rated	
<i>Electricity Industry Customer Transfer Code clause 4.12(3)</i> The parties to an access contract must negotiate in good faith any necessary									

amendments to the access contract arising from certain circumstances.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no amendments to the access contract. As there has been no activity, performance could not be rated.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 43	Licence Clause 5.1	Compliance rating	Not rated
<i>Electricity Industry Customer Transfer Code clause 4.15</i> In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and the independent market operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.			
Observations			
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>
Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>
Compliance	<input type="checkbox"/>		
There have been no erroneous transfers.			
Issues			
None			
Recommendations			
None			
Management Actions			
Not applicable			

Item 55	Licence Clause 5.1	Compliance rating	Not rated
<i>Electricity Industry Customer Transfer Code clause 7.1(1)</i> For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations			

in good faith.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no Transfer Code related disputes.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 56	Licence Clause 5.1								Compliance rating Not rated
<i>Electricity Industry Customer Transfer Code clause 7.1(2)</i> If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no Transfer Code related disputes.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 58	Licence Clause 5.1								Compliance rating Not rated
<i>Electricity Industry Customer Transfer Code clause 7.2(4)</i> A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details.									
Observations									

Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no Transfer Code related disputes.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 59	Licence Clause 5.1							Compliance rating Not rated	
<i>Electricity Industry Customer Transfer Code clause 7.3(2)</i> A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no Transfer Code related disputes.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 68	Licence Clause 5.1							Compliance rating Compliant - 5	
<i>Electricity Industry Customer Transfer Code clause A6.2(a)</i> A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The communications are available 24 hours a day, 7 days a week.									

Issues
None
Recommendations
None
Management Actions
Not applicable

Item 70	Licence Clause 5.1	Compliance rating Compliant - 5							
<i>Electricity Industry Customer Transfer Code clause A6.6</i> The originator of an electronic communication must identify itself in the communication.									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
There is no business need for protocols for communication between retailer and the related distributor or transmitter (Southern Cross Energy), which identify itself anyway.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 71	Licence Clause 5.1	Compliance rating Compliant - 5							
<i>Electricity Industry Customer Transfer Code clause A6.7</i> The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
There is no business need for protocols for communication between retailer and the related distributor or transmitter (Southern Cross Energy). Data formats are internally consistent.									

Issues
None
Recommendations
None
Management Actions
Not applicable

Metering Code Obligations Type 2 Generation / Retail

Item 309	Licence Clause 5.1	Compliance rating Compliant - 5							
<p><i>Electricity Industry Metering Code clause 3.5(6)</i> The requirement is that a network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.</p>									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The metering requirements are specified in the customer contracts and no charge can be made for metering installations according to the contract.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 319	Licence Clause 5.1	Compliance rating Not rated							
<p><i>Electricity Industry Metering Code clause 3.11(3)</i> The requirement is that a Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.</p>									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
No metering outages or malfunctions have occurred in the audit period.									

Issues
None
Recommendations
None
Management Actions
Not applicable

Item 331 Licence Clause 5.1	Compliance rating Not rated				
<i>Electricity Industry Metering Code clause 3.16(5)</i> The requirement is that a network operator or a user may require the other to negotiate and enter into a written service level agreement in respect of the matters in the metrology procedure dealt with under clause 3.16(4) of the Code.					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
This requirement relates to the conversion of non interval metering to interval metering. There is no need for conversion as the customers are billed on aggregated data in accordance with the contract.					
Issues					
None					
Recommendations					
None					
Management Actions					
Not applicable					

Item 342 Licence Clause 5.1	Compliance rating Not rated				
<i>Electricity Industry Metering Code clause 3.27</i> A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
There have been no meters installed in the audit period.					
Issues					
None					

Recommendations
None
Management Actions
Not applicable

Item 351 Licence Clause 5.1	Compliance rating Not rated								
<i>Electricity Industry Metering Code clause 4.5(2)</i> If a Code participant (other than a network operator) becomes aware of a change to or an inaccuracy in an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
The licensee is a Code participant but no issues about standing data have arisen.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 365 Licence Clause 5.1	Compliance rating Compliant 5								
<i>Electricity Industry Metering Code clause 5.5(3).</i> A user must not impose any charge for the provision of the data under this Code unless it is permitted to do so under another enactment.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Data has been provided at no cost.									
Issues									
None									
Recommendations									
None									
Management Actions									

Not applicable

Item 376 Licence Clause 5.1	Compliance rating Not rated				
<p><i>Electricity Industry Metering Code clause 5.16.</i> A user that collects or receives energy data from a metering installation must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.</p>					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
The users do not collect energy data.					
Issues					
None					
Recommendations					
None					
Management Actions					
Not applicable					

Item 377 Licence Clause 5.1	Compliance rating Not rated				
<p><i>Electricity Industry Metering Code clause 5.17(1).</i> A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.</p>					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
The metering requirements are specified in the customer contracts. The licensee provides metering data and not a user.					
Issues					
None					
Recommendations					
None					
Management Actions					
Not applicable					

Item 378 Licence Clause 5.1		Compliance rating Not rated	
<p><i>Electricity Industry Metering Code clause 5.18.</i> A user that collects or receives information regarding a change in the energisation status of a metering point must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.</p>			
Observations			
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>
Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>
Compliance	<input type="checkbox"/>		
There has been no change to the energisation state of the meters.			
Issues			
None			
Recommendations			
None			
Management Actions			
Not applicable			

Item 381 Licence Clause 5.1		Compliance rating Not rated	
<p><i>Electricity Industry Metering Code clause 5.19(3).</i> A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.</p>			
Observations			
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>
Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>
Compliance	<input type="checkbox"/>		
There have been no new customers in the audit period and there has been no change in a sites prescribed attributes			
Issues			
None			
Recommendations			
None			
Management Actions			
Not applicable			

Item 382 Licence Clause 5.1		Compliance rating Not rated	
<p><i>Electricity Industry Metering Code clause 5.19(4).</i> A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the network operator's Network Operations Control Centre of the fact.</p>			

Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There are no sensitive loads.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 390	Licence Clause 5.1	Compliance rating	Not rated						
<i>Electricity Industry Metering Code clause 5.21(5).</i> A Code participant must not request a meter test or audit unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no meter tests or audits.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 391	Licence Clause 5.1	Compliance rating	Not rated						
<i>Electricity Industry Metering Code clause 5.21(6).</i> A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no meter tests or audits.									

Issues
None
Recommendations
None
Management Actions
Not applicable

Item 409 Licence Clause 5.1	Compliance rating Not rated				
<i>Electricity Industry Metering Code clause 5.27.</i> Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
There has been no missing or incorrect customer attributes.					
Issues					
None					
Recommendations					
None					
Management Actions					
Not applicable					

Item 416 Licence Clause 5.1	Compliance rating Compliant - 5				
<i>Electricity Industry Metering Code clause 6.1(2).</i> A user must in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
The metering requirements are specified in the customer contracts and these prescribe the rules, procedures, agreements and criteria. The contract obligations are met.					
Issues					
None					
Recommendations					

None
Management Actions
Not applicable

Item 420 Licence Clause 5.1	Compliance rating Not rated				
<i>Electricity Industry Metering Code clause 7.2(4)</i> A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
There have been no new access contracts in the audit period and there have been no requests for contact details from the network operator.					
Issues					
None					
Recommendations					
None					
Management Actions					
Not applicable					

Item 421 Licence Clause 5.1	Compliance rating Not rated				
<i>Electricity Industry Metering Code clause 7.2(5)</i> A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
There has been no change in contact details.					
Issues					
None					
Recommendations					
None					
Management Actions					
Not applicable					

Item 422 Licence Clause 5.1								Compliance rating Compliant - 5	
<i>Electricity Industry Metering Code clause 7.5</i> A Code participant must not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
No complaints have risen about disclosure of confidential information.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 423 Licence Clause 5.1								Compliance rating Not rated	
<i>Electricity Industry Metering Code clause 7.6(1)</i> A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
No information has been required to be disclosed.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 427 Licence Clause 5.1								Compliance rating Not rated	
<i>Electricity Industry Metering Code clause 8.1(4)</i>									

If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no metering disputes.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Metering Code Obligations Type NR Generation / Retail

Item 363	Licence Clause 5.1							Compliance rating Compliant - 5	
<i>Electricity Industry Metering Code clause 5.4(2)</i> A user must, when reasonably requested by a network operator, use reasonable endeavours to assist the network operator to comply with the network operator's obligation. Meters have to be read at least once per year and if not, has assistance been provided by the licensee to the network operator to read the meter.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Meters are read remotely (every half hour) and manually daily.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 379	Licence Clause 5.1							Compliance rating Compliant - 5	
<i>Electricity Industry Metering Code clause 5.19(1)</i> A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from									

customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere.									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
There have been no complaints about the collection of customer information.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 380	Licence Clause 5.1	Compliance rating Compliant - 5							
<i>Electricity Industry Metering Code clause 5.19(2)</i> A user must, to the extent that it is able, collect and maintain a record of the address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.									
Observations									
Process	Ⓟ	Outcome	Ⓟ	Output	Ⓟ	Reporting	Ⓟ	Compliance	Ⓟ
The metering requirements are specified in the customer contracts and the licensee maintains customer information.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 384	Licence Clause 5.1	Compliance rating Not rated
<i>Electricity Industry Metering Code clause 5.19(6)</i> A user must use reasonable endeavours to ensure that it does notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.		
Observations		

Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no changes in (metering) attributes.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 424	Licence Clause 5.1							Compliance rating Not rated	
<i>Electricity Industry Metering Code clause 8.1(1)</i> Representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute under or in connection with the Electricity Industry Metering Code by negotiations in good faith.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no metering disputes.									
Issues									
None									
Recommendations									
None									
Management Actions									
Not applicable									

Item 425	Licence Clause 5.1							Compliance rating Not rated	
<i>Electricity Industry Metering Code clause 8.1(2)</i> If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.									
Observations									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>

There have been no metering disputes.
Issues
None
Recommendations
None
Management Actions
Not applicable

Item 426 Licence Clause 5.1	Compliance rating Not rated				
<i>Electricity Industry Metering Code clause 8.1(3)</i> If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
There have been no metering disputes.					
Issues					
None					
Recommendations					
None					
Management Actions					
Not applicable					

Metering Code Obligations Type NR Generation / Retail

Item 349 Licence Clause 5.1	Compliance rating Compliant - 5				
<i>Electricity Industry Metering Code clause 4.4(1)</i> A network operator and affected Code participants must liaise together to determine the most appropriate way to resolve a discrepancy between energy data held in a metering installation and data held in the metering database.					
Observations					
Process	<input checked="" type="checkbox"/> Outcome	<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
Discrepancies have been resolved to the satisfaction of the customer. The only failure					

was due to a communications issue.
Issues
None
Recommendations
None
Management Actions
Not applicable

Item 350 Licence Clause 5.1	Compliance rating Compliant - 5				
<i>Electricity Industry Metering Code clause 4.5(1)</i> A Code participant must not knowingly permit the registry to be materially inaccurate.					
Observations					
Process	Ⓟ Outcome	Ⓟ Output	Ⓟ Reporting	Ⓟ Compliance	Ⓟ
There have been no inaccuracies in the registry. There have been no complaints about registry inaccuracies.					
Issues					
None					
Recommendations					
None					
Management Actions					
Not applicable					

Item 418 Licence Clause 5.1	Compliance rating Compliant - 5				
<i>Electricity Industry Metering Code clause 7.2(1)</i> Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.					
Observations					
Process	Ⓟ Outcome	Ⓟ Output	Ⓟ Reporting	Ⓟ Compliance	Ⓟ
The network operator has the current contact details.					
Issues					
None					

Recommendations
None
Management Actions
Not applicable

Item 428 Licence Clause 5.1	Compliance rating Not rated
<i>Electricity Industry Metering Code clause 8.3(2)</i> The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective of dispute resolution with as little formality and technicality and with as much expedition as the requirements of Part 8 of the Code and a proper hearing and determination of the dispute, permit.	
Observations	
Process	<input checked="" type="checkbox"/> Outcome
<input checked="" type="checkbox"/> Output	<input checked="" type="checkbox"/> Reporting
<input checked="" type="checkbox"/> Compliance	<input type="checkbox"/>
There have been no metering disputes.	
Issues	
None	
Recommendations	
None	
Management Actions	
Not applicable	

Appendix II Asset management system review results and recommendations

Asset Planning						Effectiveness rating Not performed - 0	
<p>1. <i>Asset planning</i></p> <p>Asset planning strategies are focused on meeting customer needs in the most effective and efficient manner (delivering the right service at the right price).</p>							
Observations							
Process	⦿	Documentation	✓	Availability	⦿	Use	⦿
<p><i>Asset Planning Process/Plan and its currency</i> The licensee has 3 by 40 MW gas turbine generators at Kalgoorlie.</p> <p>The licensee has well developed and current asset plans for operations, maintenance and contingencies. This plan is reviewed annually. A manager is allocated to business development to cover the broader aspects of asset planning. There is no formal strategic asset plan covering the broader or strategic elements.</p> <p><i>Allocation of responsibilities / statutory obligations</i> The organisational arrangements allocate responsibilities. There is documentation requiring compliance with statutory obligations.</p>							
Issues							
<p>The licensee conducts the shorter timeframe asset management elements (operations, maintenance and contingency planning) consistent with its planning needs. Other than a strategic overview, the elements of an asset management process exist informally.</p> <p>The owner uses a special vehicle to manage the licensed assets (the licensee) and these carry out the core processes such as operations and maintenance. The owning bodies such as Trans Alta Australia Pty Ltd in Australia and Trans Alta Corporation in Canada carry out the long term and strategic elements of an asset management system. It would not be appropriate to require the licensed entities to carry out these functions when they are already carried out by the owning companies.</p>							
Recommendation							
None - There is no business case for carrying out asset planning when it is carried out by the owning bodies.							
Rating							
Not Performed - 0							

Asset Creation						Effectiveness rating Well defined - 3	
<i>2 Asset creation and acquisition</i>							
Asset creation/acquisition means the provision or improvement of an asset where the outlay can be expected to provide benefits beyond the year of outlay.							
Observations							
Process	Ⓟ	Documentation	Ⓟ	Availability	Ⓟ	Use	Ⓟ
<i>Policies and procedures for asset creation / sample creation activities</i>							
Procurement of major electricity plant is a very significant exercise taking considerable time. There are documented procedures for fixed assets. There has been no asset creation on the generating plant in the audit period.							
The gas turbines are well known manufactured of aero derivative machines (aircraft jet engines) that are highly reliable.							
<i>Meeting statutory obligations</i>							
There are documents requiring employees and contractors to meet statutory obligations.							
The asset creation processes are appropriate.							
Issues							
The procurement processes are appropriate.							
Rating							
Well defined - 3							

Asset Disposal						Effectiveness rating Well Defined - 3	
<i>3. Asset disposal</i>							
Effective asset disposal frameworks incorporate consideration of alternatives for the disposal of surplus, obsolete, under-performing or unserviceable assets. Alternatives are evaluated in cost-benefit terms.							
Observations							
Process	Ⓟ	Documentation	Ⓟ	Availability	Ⓟ	Use	Ⓟ
<i>Policies and procedures for asset disposal / sample disposal activities</i>							
There is no disposal action in the audit period and none are contemplated. There are disposal processes in addition to those for justification of replacement of plant (which includes disposal of redundant plant). Removing the licensed plant is unlikely during the life of the customers' mines. There are documented procedures for disposal of fixed assets.							
The disposal processes are well defined.							
<i>Meeting statutory obligations</i>							
There are well documented obligations of the licensee and their employees to comply							

with statutory obligations.
Issues
None.
Recommendation
None
Rating
Well defined - 3

Environmental analysis	Effectiveness rating Well defined - 3
<p><i>4. Environmental analysis</i></p> <p>Environmental analysis examines the asset system environment and assesses all external factors affecting the asset system.</p>	
Observations	
Process	Documentation
Availability	Use
<p><i>Standards / monitoring / reporting / breaches</i></p> <p>The licensee has an Environmental Management Plan (EMP) developed to implement an environmental management system that complies with ISO 14001 standards and have been separately audited. Reporting and monitoring tools are appropriate.</p> <p>The Licensee has a number of environmental licences and no unresolved issues have arisen with respect to environmental matters. Issues about air quality, waste fuel, contaminants and chemical storage are being managed actively. No non compliances have been reported.</p> <p>The principal external threats to the generation assets relate to availability of fuel and storms to distribution and transmission. The Licensee has documented the threats to specific plant and developed contingencies for these threats. Major breakdowns are an internal issue covered under contingencies.</p>	
Issues	
<p>There are no environmental non-compliances reported.</p> <p>There are contingency plans for fuel availability, back up generation and spare gas turbine engine to minimise outages.</p>	
Recommendation	
None	
Rating	
Well defined - 3	

Asset operations						Effectiveness rating Quantitatively Controlled - 4	
<i>5. Asset operations</i>							
Operations functions relate to the day-to-day running of assets and directly affect service levels and costs.							
Observations							
Process	Ⓟ	Documentation	Ⓟ	Availability	Ⓟ	Use	Ⓟ
<p><i>Policies and procedures for asset operation / sample activities</i></p> <p>Some of the generation plant operates in base load mode which is a low thermal cycling mode with reduced stresses and the remaining in mid merit or standby with some cycling stresses. The demands of the mining process dictate continuous generation with contractual penalties for interruptions to supply. Dispatch profiles are loaded into the control systems to manage loading rates and thermal stresses.</p> <p>There is a spare gas turbine to demand requirements giving capacity for spinning reserve and allowance for outages.</p> <p>The asset plan for operations, maintenance and contingencies contains performance measures and operating procedures for a number of differing scenarios. .</p> <p>The licensee records forced outages which have been trending down since 1999. There are significant penalties for outages in the customer contracts.</p> <p>The asset register is part of the maintenance IT system.</p> <p><i>Training/ resources / exceptions</i></p> <p>The licensee operates the plant. The resourcing is appropriate and ongoing training is evident as are the operating procedures and practices. Plant operation and related maintenance appears to take due allowance of any exceptions in the licensed plant.</p>							
Issues							
The asset operation is appropriate for the duty.							
Recommendation							
None							
Rating							
Quantitatively Controlled - 4							

Asset Maintenance						Effectiveness rating Quantitatively Controlled - 4	
<i>6. Asset maintenance</i>							
Maintenance functions relate to the upkeep of assets and directly affect service levels and costs.							

Observations							
Process	Ⓟ	Documentation	Ⓟ	Availability	Ⓟ	Use	Ⓟ
<p><i>Policies and procedures for asset maintenance / sample activities</i> Maintenance is controlled by an IT system that coordinates tasks, incorporates condition, risk, breakdown and time based maintenance. Maintenance jobs are standardised which gives a quality and safety assurance and change management where by changing the standard job specification the work process is changed. Spare parts required for standard jobs and inventories are also contained in the system.</p> <p>The asset plan for operations, maintenance and contingencies contains performance measures.</p> <p>The licensee provides first line maintenance and contracts to suppliers such as GE to service their major maintenance outages. There is a spare gas turbine to demand requirements to minimise outages. Condition monitoring of the generators (including flux probes and vibration sensors) is routinely carried out. Inventory of critical spares are maintained and tracked on the maintenance system</p> <p><i>Training / resources / exceptions</i> Maintenance is scheduled well into the future and these actions appear appropriate for the type of equipment. The resourcing is appropriate and ongoing training is evident as are the operating procedures and practices. High Voltage training occurs at Western Power and College of Electrical Training. Plant maintenance appears to take due allowance of any exceptions in the licensed plant.</p>							
Issues							
The maintenance is appropriate for the duty required.							
Recommendation							
None.							
Rating							
Quantitatively Controlled - 4							

Asset Management Information System						Effectiveness rating Well defined - 3	
<p><i>7. Asset Management Information System (MIS)</i></p> <p>An asset management information system is a combination of processes, data and software that support the asset management functions.</p>							
Observations							
Process	Ⓟ	Documentation	Ⓟ	Availability	Ⓟ	Use	Ⓟ

<p><i>Policies and procedures</i></p> <p>The licensee has a competent asset management information system with a number of elements. The maintenance management system is an award winning system based on The Maintenance Engineering Society Australia – MESA (Engineers Australia).</p> <p>It has complex spreadsheets managing expenditure and a dedicated maintenance management database (GPMate) to control a complex list of items. The maintenance system links project management to scheduled tasks to standard work plans (assisting with safety and change management), asset register and parts inventory. Documentation is appropriate.</p> <p>Access to write to the database is controlled (passwords) and changes are tracked. There is good documentation for data recovery procedures which include operating on the Perth office server and backing up the servers in Calgary, Canada to ensure data integrity.</p> <p><i>Exceptions</i></p> <p>The reliability of the plant is evidence of good maintenances practices and that exceptions are being followed up.</p>
<p>Issues</p>
<p>None</p>
<p>Recommendation</p>
<p>None</p>
<p>Rating</p>
<p>Well defined 3</p>

<p>Risk management</p>	<p>Effectiveness rating Well Defined- 3</p>			
<p><i>8. Risk management</i></p> <p>Risk management involves the identification of risks and their management within an acceptable level of risk.</p>				
<p>Observations</p>				
<p>Process</p>	<p>Documentation</p>	<p>Availability</p>	<p>Use</p>	
<p><i>Policies and procedures</i></p> <p>The Licensee has a documented risk management procedure and there is evidence that risk based approaches is being carried out.</p> <p>The provision of contingencies such as a spare gas turbine engine is a result of critical risk management. The Licensee has documented the threats to specific plant and developed contingencies for these threats which are based on assessment of risks.</p> <p><i>Training</i></p> <p>There is evidence of training and awareness by staff of risk based approaches.</p>	<p>Ⓟ</p>	<p>Ⓟ</p>	<p>Ⓟ</p>	<p>Ⓟ</p>

Issues
Recommendation
Rating
Well Defined- 3

Contingency planning	Effectiveness rating Well defined - rating 3
<p><i>9. Contingency planning</i></p> <p>Contingency plans document the steps to deal with the unexpected failure of an asset.</p>	
Observations	
Process	Ⓟ Documentation
Availability	Ⓟ Use
<p><i>Development of contingency plans / currency</i></p> <p>The Licensee has good documentation of its data recovery plans.</p> <p>The Licensee has documented the threats to specific plant and developed contingencies for these threats. Fuel contingencies are provided with local reserves of fuel oil. An inventory of spare parts is kept and there is a spare gas turbine to demand.</p> <p>The Licensee has detailed maintenance scheduled out for several years, with minor and major shutdowns allowed to deal with potential issues. Maintenance is partly conducted on condition based maintenance which monitors critical items for indicators of future failure.</p> <p>The maintenance regime is geared to keeping the plant operational without forced outages.</p> <p><i>Testing of contingency plans</i></p> <p>The recent gas shortage exercised the use of fuel contingencies. The licensee tests safety systems routinely.</p> <p>The licensee conducts major incident training.</p>	
Issues	
Recommendation	
None	
Rating	
Well defined - 3	

Financial planning							Effectiveness rating Well defined - rating 3
<i>10. Financial planning</i>							
The financial planning component of the asset management plan brings together the financial elements of the service delivery to ensure its financial viability over the long term.							
Observations							
Process	Ⓟ	Documentation	Ⓟ	Availability	Ⓟ	Use	Ⓟ
<i>Financial planning process / plans</i>							
The Licensee has financial plans, budgeting and monitoring processes. These are on 1 year and 5 year cycles with projections to 13 years and upgraded year by year. Long ranges forecasting provides business outlook over the next 5 to 20 years.							
Issues							
None							
Recommendation							
None							
Rating							
Well defined - rating 3							

Capital expenditure planning							Effectiveness rating Well defined - rating 3
<i>11. Capital expenditure planning</i>							
The capital expenditure plan provides a schedule of new works, rehabilitation and replacement works, together with estimated annual expenditure on each over the next five or more years.							
Since capital investments tend to be large and lumpy, projections would normally be expected to cover at least 10 years, preferably longer. Projections over the next five years would usually be based on firm estimates.							
Observations							
Process	Ⓟ	Documentation	Ⓟ	Availability	Ⓟ	Use	Ⓟ
<i>Capital expenditure process / plans</i>							
The Licensee has financial plans, budgeting and monitoring processes. These are on 1 year and 5 year cycles with projections to 13 years and upgraded year by year. Long ranges forecasting provides business outlook over the next 5 to 20 years.							
Issues							
None.							

Recommendation
None
Rating
Well defined - rating 3

Review of AMS	Effectiveness rating Not Performed - rating 0
<i>12. Review of AMS</i>	
The asset management system is regularly reviewed and updated.	
Observations	
Process	<input checked="" type="checkbox"/> Documentation
	<input checked="" type="checkbox"/> Availability
	<input checked="" type="checkbox"/> Use
As a supplier of electricity the service delivery is heavily asset based and needs an AMS. There is ongoing review of asset issues relating to operations, maintenance and contingencies.	
Issues	
Strategic asset planning is carried out by the owning companies and they carry out continuous review of the process. There is a division of an asset management system where the owners carry out the strategic asset planning and the licensee carries out the shorter term and operational functions. It would not be appropriate to require the licensed entities to carry out these functions when they are already carried out by the owning companies.	
Recommendation	
None - There is no business case for carrying out asset planning when it is carried out by the owning bodies.	
Rating	
Not Performed - rating 0	