



## Performance audit

Transmission Licence (ETL2)  
Electricity Networks Corporation (“Western Power”)

11 May 2010

Ms Margaret Pyrchla  
Manager Risk & Compliance  
Western Power  
363 Wellington Street  
PERTH WA 6000

11 May 2010

*Private and confidential*

Dear Ms Pyrchla

## **2009 Transmission Licence (ETL2) Performance Audit Report**

We are pleased to provide you with the draft report on the effectiveness of control procedures for Western Power's Transmission Licence (ETL2). Our report describes the objectives, scope, audit methodology, approach, work performed, any identified breaches and improvement opportunities.

Please do not hesitate to contact me on 08 9217 1298 if you have any queries regarding our report or the work that it describes.

Yours sincerely

Robert Kirkby  
Partner

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# 1. Executive summary

Under section 13 of the Electricity Act, it is a requirement that every licensee provide the Economic Regulation Authority (“Authority”), not less than once in every 24 month period, with a performance audit conducted by an independent expert acceptable to the Authority. Pursuant to the notice served by the Authority on Western Power in December 2008, Western Power was required to have its Transmission Licence (ETL2) audited 19 months after the previous audit (i.e. for the period 1 April 2006 to 31 March 2008).

Western Power is required to comply with its ETL2 obligations and any applicable legislation. This audit has been conducted to assess Western Power’s level of compliance with the conditions of its licence. This audit included understanding the actions taken to address the breaches and recommendations made from the previous audit.

## 1.1 Western Power’s licence and business

Western Power holds an Electricity Transmission Licence (ETL2) which was granted by the Economic Regulation Authority (“Authority”) on 30 March 2006.

Western Power is responsible for the transmission and distribution of electricity in the South West Interconnected System (SWIS) which covers Perth and the south west region. This includes monitoring the amount of electricity flowing in the SWIS, performing regular network maintenance, restoring power after interruptions, developing the network to meet customer needs and supplying electricity to new areas.

The major areas that have been considered in this audit included the customer transfer process, metering, network operations, supply quality and reliability and customer service. The key systems supporting the compliance process for the audit areas are:

- ▶ Metering Business System (MBS). The key processes supported by MBS in relation to Licence conditions include customer transfers, metering and customer service. MBS is used to maintain Western Power’s metering database and to manage requests from retailers in accordance with the Electricity Industry Customer Transfer Code 2004 and Electricity Industry Metering Code 2005.
- ▶ Electricity Network Management and Control (ENMAC). The key processes supported by ENMAC in relation to Licence conditions include plans of the high voltage electricity network management and control, outages records and resolution procedures.
- ▶ Trouble Call System (TCS). The key processes supported by TCS in relation to Licence conditions include outage management, network fault recording and records of all calls by customers concerning outages and complaints. The TCS was implemented in September 2008 and replaced the Trouble Call Management System (TCMS). It includes both an automated Supervisory Control and Data Acquisition (SCADA) system and customer initiated processes for recording faults.
- ▶ CUSREMS. The key processes supported by CUSREMS in relation to Licence conditions include recording of complaints and monitoring through to resolution and compensation payments.

A log of changes made to CUSREMS and the Metering Business System (MBS) for the audit period was obtained, to validate the integrity of automated processes and support the approach to test a sample of one. Based on inspection of the log of system upgrades and discussions with the IT Manager and IT Strategist Strategy and Architecture, Metering Data Manager and Account Manager, we identified that CUSREMS and the MBS have not been significantly altered during the audit period and the integrity of Western Power's automated processes is intact. In addition, neither system suffered major data corruption or a disaster during the audit period that affected the integrity of Western Power's automated processes. Where a process has been identified to be an automated process during the course of fieldwork, a sample of one has been selected for testing to validate that Western Power has complied with the relevant obligation and its requirements.

## 1.2 Summary of issues and recommendations

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
4.1	85	<p><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.</i></p> <p>The 2008 Licence fee was not paid within 1 month after the anniversary date of the Licence. Anniversary of Licence: 30 March 2008 Licence fee paid: 27 May 2008</p> <p>The breach from the 2008 performance audit has not been corrected. Also, the recommendation to have automatic reminders set in the corporate email and calendar system (Lotus Notes) has not been implemented.</p>	Non compliant	<ul style="list-style-type: none"> <li>▶ Set up calendar reminders in Lotus Notes to trigger payment of Licence fees before the anniversary date of Western Power's Licence.</li> </ul>	2009 licence fees have been paid on time. An automatic process has been put in place to ensure that fees are paid by the due date.
5.1	31	<p><i>A network operator must object to a customer transfer request in certain circumstances as set out in clause 4.9(1) of the Electricity Industry Customer Transfer Code.</i></p> <p>Sample testing of customer transfers identified 1 instance where Western Power should have objected to a customer transfer request but did not due to special circumstances. Western Power notified the Authority immediately of the breach. This breach occurred because of the potential significant impact to the customer and is not expected to occur again.</p>	Non compliant	<ul style="list-style-type: none"> <li>▶ In exceptional circumstances where Western Power will breach its obligations for the benefit of a customer, Western Power should discuss the matter with the Authority.</li> </ul>	Western Power's existing controls identified the event before it occurred. As a result, a dialogue between Western Power, Synergy and the Authority took place and the customer transfer was actioned for the benefit of the customer concerned. As it was a one-off incident, no further action is required.

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
5.1	32	<p><i>A network operator must not object to a customer transfer request otherwise that in accordance with clause 4.9(1) of the Electricity Industry Customer Transfer Code.</i></p> <p>Customer transfer requests in large country towns were incorrectly rejected by the Metering Business System (MBS) because some streets were classified as metropolitan instead of a country area. Therefore when incoming retailers nominated a transfer date, MBS recognised them as metropolitan and rejected the transfer request because the date did not meet the requirements of the Code.</p>	Non compliant	<ul style="list-style-type: none"> <li>Modify the Metering Business System configuration to enable compliance with this obligation.</li> </ul>	On 24 October 2009 a system change was made to MBS (release 53) which introduced settings for Urban, Town and Rural. This system change has remedied this problem.
5.1	302	<p><i>A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and also comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act.</i></p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant. Western Power did not notify the Authority of the above non-compliant meters.</p>	Non compliant	<ul style="list-style-type: none"> <li>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</li> </ul>	<p>Section 9.3 of the Meter Management Plan requires Western Power to replace all non-compliant meters within a three year timeframe. The new meters would be basic electronic meters with minimal functionality and would be replaced with new smart meters if the Advanced Metering Infrastructure is rolled out across the network. This will result in double handling, resource inefficiencies and additional costs to Western Power.</p> <p>Western Power applied to Energy Safety to defer the meter replacement program until December 2015. Approval was provided by Energy Safety in May 2009.</p>

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
5.1	310	<p><i>If a network operator becomes aware that a metering installation does not comply with the Code, the network operator must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.</i></p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant. Western Power did not notify the Authority of the above non-compliant meters.</p>	Non compliant	<ul style="list-style-type: none"> <li>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</li> </ul>	Western Power has provided additional compliance training to the relevant part of the business to ensure that the requirement to report compliance breaches is well understood.
5.1	317	<p><i>A network operator must ensure that a metering installation on its network permits collection of data within the timeframes and to the level of availability specified.</i></p> <p>Western Power reported less than 95% availability for the year to date from April 2008 to January 2009.</p> <p>The underlying cause for not meeting the required availability level is due to service failure from the contractor. Western Power's intervention assisted with the recovery plan during February 2008 which enabled the schedule to be corrected by March 2008. The meter reading cycle has returned to schedule. The contractor was required to report on its mitigation strategies to prevent the incident from reoccurring.</p>	Non compliant	<ul style="list-style-type: none"> <li>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</li> </ul>	It is acknowledged that, due to resource shortages, between October 2007 and May 2008 there was a significant backlog of scheduled reads. Since that time, Western Power's service provider has addressed the resourcing issue and our performance has improved. In addition, a new contract was negotiated with a service provider which included improved service performance targets and incentives. In the first three months of the new contract which commenced on 1 October 2009, Western Power achieved compliance of 99.75%. Western Power anticipates this level of performance will continue.

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
5.1	330	<p><i>If a device is used as a data logger, the energy data for a metering point on the network must be collated in trading intervals within the metering installation unless it has been agreed between the network operator and the Code participant that energy data may be recorded in sub-multiples of a trading interval.</i></p> <p>Western Power has not established an agreement with Synergy to collect energy data in sub-multiples (i.e. 15 minutes) of the prescribed trading interval of 30 minutes.</p>	Non compliant	<ul style="list-style-type: none"> <li>Establish and formalise an agreement with Synergy to collect metering data in 15 minute intervals.</li> </ul>	Western Power will provide Synergy with the requested information to enable signing of the agreement by the end of June 2010.
5.1	346	<p><i>A network operator must prepare, and if applicable, must implement a disaster recovery plan to ensure that it is able, within 2 business days after the day of any disaster, to rebuild the metering database and provide energy data to Code participants.</i></p> <p>Western Power implemented a Metering Business System (MBS) Disaster Recovery Plan by December 2008. The plan was tested and the results validate that MBS can be recovered within 2 business days. Therefore Western Power was compliant for only a portion of the audit period.</p>	Non compliant	<ul style="list-style-type: none"> <li>No recommendations made. Western Power achieved compliance during the audit period.</li> </ul>	Not applicable.

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
5.1	361	<p><i>A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database within the timeframes prescribed.</i></p> <p>Western Power reported less than 95% data collection timeliness and availability from April 2008 to January 2009.</p> <p>Refer to the finding identified for Electricity Compliance Reporting Manual No. 317.</p>	Non compliant	<ul style="list-style-type: none"> <li>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</li> </ul>	<p>It is acknowledged that, due to resource shortages, between October 2007 and May 2008 there was a significant backlog of scheduled reads. Since that time, Western Power's service provider has addressed the resourcing issue and our performance has improved. In addition, a new contract was negotiated with a service provider which included improved service performance targets and incentives. In the first three months of the new contract which commenced on 1 October 2009, Western Power achieved compliance of 99.75%. Western Power anticipates this level of performance will continue.</p> <p>Note: Data transfers are dependent on the data collection therefore improvements in the latter process will improve the former.</p>
5.1	362	<p><i>A network operator must, for each accumulation meter on its network, use reasonable endeavours to undertake a meter reading that provides an actual value at least once in any 12 month period.</i></p> <p>Sample testing performed identified one instance where an actual meter reading was not taken within a 12 month period to provide an actual value.</p>	Non compliant	<ul style="list-style-type: none"> <li>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</li> </ul>	<p>A new contract has been negotiated with our service provider effective 1 October 2009. The contract includes improved service performance targets and incentives for full compliance to this annual read obligation. This KPI is monitored and reported monthly. A monthly performance meeting is held to monitor progress and agree actions to ensure compliance.</p>

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
5.1	387	<p><i>If a Code participant requests verification of energy data, a network operator must, in accordance with the metrology procedure, use reasonable endeavours to verify energy data and inform the requesting Code participant of the result of the verification and provide the verified energy data within the timeframes prescribed.</i></p> <p>Sample testing identified 4 instances where verification results and energy data were not provided within 5 business days. The information was provided within 8 business days for 3 instances and 11 business days for 1 instance. The underlying cause is due to a significant increase (approximately 25 times) in the number of requests submitted by Synergy due to their system upgrade.</p>	Non compliant	<ul style="list-style-type: none"> <li>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</li> </ul>	The non-compliance occurred as a result of a one-off increase in the number of requests submitted by Synergy. This situation is unlikely to occur again.
5.1	389	<p><i>A test or audit is to be conducted in accordance with the metrology procedure and the applicable service level agreement.</i></p> <p>The breach from 2008 has not been rectified because Western Power's Metering Services do not have the equipment to test Type 1 - Type 4 meters.</p> <p>Discussions with the Metering Strategist identified that Western Power has not received any requests, by a Code Participant of Type 1 - 4 meters, to undertake a test on the accuracy of the metering installation or the energy or standing data of the metering installation.</p>	Non compliant	<ul style="list-style-type: none"> <li>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</li> </ul>	Western Power is currently evaluating the costs and benefits of purchasing the appropriate testing equipment versus outsourcing the task when requests to test CTs and VTs are received from customers. A decision is expected to be made by 31/12/2010. Western Power will commence implementation of the selected methodology no later than three months following the date of the decision.

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
5.1	392	<p><i>A network operator may only impose a charge for the testing of the metering installations, or auditing of information from the meters associated with the metering installations, or both, in accordance with the applicable service level agreement between it and the user.</i></p> <p>Sample testing of metering installation tests performed or auditing of information from the meters associated with the metering installations, or both, identified the following exceptions:</p> <ul style="list-style-type: none"> <li>▶ 5 instances of undercharging to Synergy; and</li> <li>▶ 1 instance of charging for a faulty meter, contravening clause 5.21(8) of the Metering Code.</li> </ul>	Non compliant	▶ Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.	From 1 October 2009 Western Power has introduced a system change to ensure correct invoicing to retailers. Prior to invoicing, all Meter Test Service Request completion comments are now manually checked. This has fixed the problem of potential under (or over) charging for this service.
5.1	393	<p><i>Any written service level agreement in respect of the testing of the metering installations, or the auditing of information from the meters associated with the metering installations, must include a provision that no charge is to be imposed if the test or audit reveals a non-compliance with this Code which results in energy data errors in the network operator's favour.</i></p> <p>Sample testing of metering installation tests performed or auditing of information from the meters associated with the metering installations, or both, identified 1 instance of a charging for a faulty meter, contravening clause 5.21(8) of the Metering Code.</p>	Non compliant	▶ Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.	From 1 October 2009 Western Power has introduced a system change to ensure correct invoicing to retailers. Prior to invoicing, all Meter Test Service Request completion comments are now manually checked. This has fixed the problem of potential under (or over) charging for this service.

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
5.1	411	<p><i>If a network operator makes an election for the electricity networks corporation to be its metering data agent in relation to a network, then the electing network operator and the electricity networks corporation must enter into a metering data agency agreement in relation to the network, which must deal with at least the matters prescribed.</i></p> <p>A Memorandum of Understanding was established between Western Power and Horizon Power upon disaggregation however there is insufficient detail to satisfy the requirements of this obligation.</p> <p>Horizon Power formally elected Western Power as its meter data agent effective from 1 October 2009. The services elected are specified within the Service Level Contract Metering Services with Horizon Power, executed as an agreement on 12 October 2009. Therefore Western Power was compliant for only a portion of the audit period.</p>	Non compliant	▶ No recommendations made. Western Power achieved compliance during the audit period.	Not applicable.
5.1	415	<p><i>A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.</i></p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant.</p>	Non compliant	▶ Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.	<p>Section 9.3 of the Meter Management Plan requires Western Power to replace all non-compliant meters within a three year timeframe. The new meters would be basic electronic meters with minimal functionality and would be replaced with new smart meters if the Advanced Metering Infrastructure is rolled out across the network. This will result in double handling, resource inefficiencies and additional costs to Western Power.</p> <p>Western Power applied to Energy Safety to defer the meter replacement program until December 2015. Approval was provided by Energy Safety in May 2009.</p>

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
5.1	432	<p><i>A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer.</i></p> <p>Sample testing identified one instance where an outage period was 8 hours, exceeding the 6 hours prescribed by the Code for customers south of the 26<sup>th</sup> parallel of latitude.</p>	Non compliant	<ul style="list-style-type: none"> <li>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</li> </ul>	Western Power will review its processes in respect of planned interruptions. If required, and reasonably practicable, improvements will be implemented to ensure that the effect of any interruptions on a customer is reduced. In addition, Western Power will establish an appropriate KPI to enable timely monitoring and reporting of planned interruptions.

Licence condition	Electricity Compliance Reporting Manual July 2009 ref.	Issue	Finding	Recommendation	Post-audit action plan
22	22.1	<i>The licensee must have an approved trouble call fault management plan.</i>	Non compliant	▶ Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.	<p>On 17 April 2009, Western Power submitted an application to the Authority to amend EDL1 and ETL2 in relation to its obligation to maintain a trouble call fault management system. The Authority approved this request and amended both licences 24 November 2009. The amended provisions read:</p> <ul style="list-style-type: none"> <li>▶ The Licensee will operate and maintain a trouble call fault management system.</li> <li>▶ The Licensee must provide prior notification to the Authority if it intends to outsource its trouble call fault management system.</li> </ul> <p>The amendment of the licence was approved by the Authority on 24 November 2009.</p>
	22.2	<i>The licensee must provide the Authority with a draft trouble call fault management plan for the Authority's approval within six months of the commencement date unless directed otherwise by the Authority</i>			
	22.3	<i>The trouble call fault management plan must detail the steps the licensee will take to establish a trouble call fault management system and the time in which those steps will be completed.</i>			
	22.4	<i>The Authority may direct the licensee to make amendments to the trouble call fault management plan before it will approve the trouble call fault management plan.</i>			
	22.5	<p><i>Once approved by the Authority, the licensee must implement the trouble call fault management plan and notify the Authority:</i></p> <ol style="list-style-type: none"> <li><i>a. when the licensee has implemented a step in the trouble call fault management plan; or</i></li> <li><i>b. when the licensee has failed to implement a step in the trouble call fault management plan, within 2 business days of implementing that step or the time for implementing that step has passed, whichever is applicable.</i></li> </ol>			
		We noted that the Trouble Call Fault Management Plan applies to distribution only and does not include transmission.			

### 1.3 Review of Western Power’s actions in response to the previous post-audit action plan

Western Power has implemented all the post-audit action plans reported from the 2008 Licence performance audit with the exception of those presented in the table below. Refer to section 3 of the report for further details.

Licence condition ref. (Electricity Compliance Reporting Manual 2007 ref.)	Issue and recommendation (from the 2008 Performance Audit report)	Post-audit action plan (from the 2008 Performance Audit report)	Actions taken by Western Power
4.1	<p><i>The licence was renewed on 30 March 2007 and the fee was paid on 23 May 2007. The licence fee was therefore not paid within the required timeframe in 2007.</i></p> <p>Western Power should introduce an automatic reminder to notify that the obligated annual fee payment is to be made within one month from the licence grant/renewal date.</p>	Western Power will request the Authority to address the relevant invoices to the Manager Regulation, Pricing & Access Development in future. In addition, Western Power have implemented an automatic reminder in the corporate email and calendar system (Notes) to check if an invoice has been sent.	The Assistant to the General Manager Strategy and Corporate Affairs has been assigned the responsibility for making licence fee payments.
5.1 (378)	<p><i>Western Power’s meters record energy usage in 15 minute intervals and this data is collated within Western Power into 30 minute trading intervals for reporting to the IMO. Clause 3.16(3) of the Electricity Industry Metering Code 2005 requires agreement between the network operator and Code participants in these instances. No such agreement presently exists.</i></p> <p>Western Power should obtain approval from current Code participants and build the agreement into the standard service level agreements to ensure ongoing compliance.</p>	Western Power will take appropriate action to ensure that full compliance is achieved.	Service level agreements have been established with Code Participants with the exception of Synergy. The agreements provide that Western Power may collect meter data at 15 minute intervals.

Licence condition ref.  (Electricity Compliance Reporting Manual 2007 ref.)	Issue and recommendation (from the 2008 Performance Audit report)	Post-audit action plan (from the 2008 Performance Audit report)	Actions taken by Western Power
5.1  (437, 436)	<p><i>Testing is not conducted by Western Power in accordance with the regulations.</i></p> <p><i>Western Power have advised that customer obligations and excessive costs involved to conduct testing regarding supply interruptions outweigh the likelihood of CT and VT accuracy issues.</i></p> <p>Western Power should develop a methodology to comply with the licence obligation. In developing the methodology Western Power should consult with the ERA regarding the requirements of the obligations.</p>	<p>Costs to the industry of the existing methodology are much greater than the benefits of testing. A new methodology is required or changes to regulations need to be sought.</p> <p>Western Power will consult the Authority to discuss the best way forward for ensuring compliance.</p>	<p>Western Power is currently evaluating the costs and benefits of purchasing the appropriate testing equipment versus outsourcing the task when requests to test CTs and VTs are received from customers. A decision is expected to be made by 31/12/2010. Western Power will commence implementation of the selected methodology no later than three months following the date of the decision.</p>
22.1	<p><i>Western Power's Trouble Call Fault Management (TCFM) plan relates to electricity distribution only and does not apply to electricity transmission. Western Power does not have a TCFM for transmission.</i></p> <p>Western Power should develop and document a trouble call fault management plan for electricity transmission.</p>	<p>There is only one plan covering distribution and transmission businesses i.e. the Western Power Trouble Call Fault Management Plan, as submitted and accepted by the ERA together with quarterly updates. The plan satisfies the distribution and transmission licence requirements; however its Background and Context section makes reference only to the distribution licence.</p> <p>We will amend the relevant section of the plan to reflect its relevance to the transmission licence.</p>	<p>Western Power has been responsible for this fault call taking service from 23 March 2009. The service was previously managed by Synergy which was covered by a service level agreement that expired on 30 March 2009.</p> <p>Western Power sent letters to the Authority, dated 7 April 2009 and 31 August 2009, to request for an amendment to clause 22 of the Transmission Licence. The amendment to this licence condition was approved by the Authority on 24 November 2009.</p>
22.2	<p><i>Western Power's Trouble Call Fault Management (TCFM) plan relates to electricity distribution only and does not apply to electricity transmission. Western Power does not have a TCFM for transmission.</i></p> <p>Western Power should develop and document a trouble call fault management plan for electricity transmission.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 22.1</p>	<p>Refer to Electricity Compliance Reporting Manual No. 22.1</p>

Licence condition ref.  (Electricity Compliance Reporting Manual 2007 ref.)	Issue and recommendation (from the 2008 Performance Audit report)	Post-audit action plan (from the 2008 Performance Audit report)	Actions taken by Western Power
22.3	<p><i>Western Power's Trouble Call Fault Management (TCFM) plan relates to electricity distribution only and does not apply to electricity transmission. Western Power does not have a TCFM for transmission.</i></p> <p>Western Power should develop and document a trouble call fault management plan for electricity transmission.</p>	Refer to Electricity Compliance Reporting Manual No. 22.1	Refer to Electricity Compliance Reporting Manual No. 22.1
22.4	<p><i>Western Power's Trouble Call Fault Management (TCFM) plan relates to electricity distribution only and does not apply to electricity transmission. Western Power does not have a TCFM for transmission.</i></p> <p>Western Power should develop and document a trouble call fault management plan for electricity transmission.</p>	Refer to Electricity Compliance Reporting Manual No. 22.1	Refer to Electricity Compliance Reporting Manual No. 22.1
22.5	<p><i>Western Power's Trouble Call Fault Management (TCFM) plan relates to electricity distribution only and does not apply to electricity transmission. Western Power does not have a TCFM for transmission.</i></p> <p>Western Power should develop and document a trouble call fault management plan for electricity transmission.</p>	Refer to Electricity Compliance Reporting Manual No. 22.1	Refer to Electricity Compliance Reporting Manual No. 22.1

## 1.4 Audit opinion on control effectiveness

### Independent Assurance Practitioner's Performance Audit Report

To the Board of Directors of Electricity Networks Corporation ("Western Power")

#### Report on the internal controls of Western Power

We have audited Western Power's control procedures in relation to its Transmission Licence (ETL2) clauses 4, 5, 10 and 12-22 for the period 1 April 2008 to 31 October 2009 in order to express an opinion about their effectiveness based on the Audit Plan which was approved by the Economic Regulation Authority on 17 September 2009.

#### Directors' responsibility

The directors are responsible for maintaining an effective internal control structure including controls in relation to compliance with Western Power's Transmission Licence conditions.

#### Assurance practitioner's responsibility

Our audit has been conducted in accordance with AUS 810 *Special Purpose Reports on the Effectiveness of Control Procedures* and Australian Auditing Standards applicable to performance audits and accordingly included such test and procedures as we considered necessary in the circumstances. These procedures have been undertaken to form an opinion whether, in all material aspects, the internal controls in relation to the Transmission Licence conditions were adequately designed and operated effectively based on the criteria referred to above.

This report has been prepared solely for distribution to Western Power, the Economic Regulation Authority and the Minister for Energy for the purposes of the performance audit of its Transmission Licence. We disclaim any responsibility for any reliance on this report to any person other than Western Power, the Economic Regulation Authority and the Minister for Energy or for any purpose other than that for which it was prepared.

#### 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. Further, the internal control structure, within which the control procedures that we have audited operate, has not been audited and no opinion is expressed as to its effectiveness.

An audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection or evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

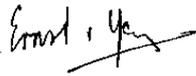
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Qualification

As detailed in section 5 of this performance audit report, our evaluation of the design and our tests of the operating effectiveness of control procedures designed to achieve compliance with the Transmission Licence identified weaknesses resulting in them not being fully effective. The effect of the design and operating effectiveness weaknesses is that Western Power did not have reasonable assurance that clauses 4, 5 and 22 of the Transmission Licence (ETL2) were consistently achieved.

### Assurance practitioner's opinion

In our opinion, except for the matters referred to in the qualification section, Western Power maintained, in all material respects, effective control procedures in relation to its Transmission Licence (ETL2) clauses 4, 5, 10 and 12-22 for the period 1 April 2008 to 31 October 2009, based on the criteria referred to above.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

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Ernst & Young  
Perth

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Date 11 May 2010

## 1.5 Audit opinion on compliance

### Independent Assurance Practitioner's Compliance Report

To the Board of Directors of Electricity Networks Corporation ("Western Power")

#### Report on the compliance with Transmission Licence (ETL2)

We have audited the compliance of Western Power with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) for the period 1 April 2008 to 31 October 2009.

#### Respective responsibility

The directors are responsible for compliance with the requirements of Western Power's Transmission Licence conditions.

Our responsibility is to express a conclusion on compliance with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) in all material respects. Our audit has been conducted in accordance with applicable Standards on Assurance Engagements ASAE 3100 *Compliance Engagements* to provide reasonable assurance that Western Power has complied with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2). Our procedures included the assessment of the risks of non compliance for each licence clause. These procedures have been undertaken to form a conclusion as to whether the Western Power has complied in all material respects, with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) for the period 1 April 2008 to 31 October 2009.

#### Use of Report

This report has been prepared solely for distribution to Western Power, the Economic Regulation Authority and the Minister for Energy for the purposes of the performance audit of its Transmission Licence. We disclaim any responsibility for any reliance on this report to any person other than Western Power, the Economic Regulation Authority and the Minister for Energy or for any purpose other than that for which it was prepared.

#### 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. Further, the internal control structure, within which the control procedures that we have audited operate, has not been audited and no opinion is expressed as to its effectiveness.

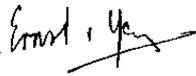
An audit is not designed to detect all instances of non compliance with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2), as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) are undertaken on a test basis. The audit conclusion expressed in this report has been formed on the above basis.

### Qualification

As detailed in section 5 of this performance audit report, our audit procedures identified instances of non-compliance with Clause 4, 5 and 22 of Western Power's Transmission Licence (ETL2).

### Conclusion

In our opinion, except for the matters referred to in the qualification paragraph, Western Power has complied, in all material respects, with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) for the period 1 April 2008 to 31 October 2009.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

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Ernst & Young  
Perth

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Date

## 2. Audit scope

### 2.1 Objective

The objective of the Licence performance audit is to enable the auditor to express an opinion as to whether, in all material aspects, Western Power's controls are effective in ensuring compliance with its Licence conditions.

### 2.2 Scope

The scope of the audit encompassed the following:

- ▶ Assessment of the design and effectiveness of control measures taken by Western Power to comply with the required standards, outputs, outcomes and reporting as required under the following:

Transmission Licence (ETL2)	
Clause 4:	Fees
Clause 5:	Compliance
Clause 10:	Amendment of Licence on Application of the Licensee
Clause 12:	Extension and expansion
Clause 13:	Accounting Records
Clause 14:	Individual Performance Standards
Clause 15:	Performance Audit
Clause 16:	Asset Management System
Clause 17:	Reporting
Clause 18:	Provision of Information
Clause 19:	Publishing Information
Clause 20:	Notices
Clause 21:	Review of the Authority's Decisions
Clause 22:	Trouble call fault management plan

- ▶ Testing of the identified controls was performed through a combination of discussions with relevant key personnel responsible for the obligations, document reviews, walkthroughs and sample testing. This was performed across various Western Power sites including the Head Office, East Perth Network Operations Control Centre, Metering Centre and Jandakot Distribution Centre.
- ▶ Testing was conducted with the relevant Manager and key personnel responsible for the obligations, the applicable processes and controls at each site. Refer to the Appendix A for the Audit Program.
- ▶ The key systems supporting the compliance process for the areas audited are the:
  - ▶ Metering Business System (MBS). The key processes supported by MBS in relation to Licence conditions include customer transfers, metering and customer service. MBS is used to maintain Western Power's metering database and to manage requests from retailers in accordance with the Electricity Industry Customer Transfer Code 2004 and Electricity Industry Metering Code 2005.

- ▶ Electricity Network Management and Control (ENMAC). The key processes supported by ENMAC in relation to Licence conditions include plans of the high voltage electricity network management and control, outages records and resolution procedures.
- ▶ Trouble Call System (TCS). The key processes supported by TCS in relation to Licence conditions include outage management, network fault recording and records of all calls by customers concerning outages and complaints. The TCS was implemented in September 2008 and replaced the Trouble Call Management System (TCMS). It includes both an automated Supervisory Control and Data Acquisition (SCADA) system and customer initiated processes for recording faults.
- ▶ CUSREMS. The key processes supported by CUSREMS in relation to Licence conditions include recording of complaints and monitoring through to resolution and compensation payments.
- ▶ Review of the actions taken to address the recommendations from the previous audit which is included in the Audit Program. Refer to the Appendix A for the Audit Program.

## 2.3 Methodology

Our audit has been conducted in accordance with:

- ▶ Australian Auditing Standards AUS 810 “Special Purpose Reports on the Effectiveness of Control Procedures”; and
- ▶ ASAE 3100 “Compliance Engagements”

and accordingly included such tests and procedures as we considered necessary in the circumstances. These procedures have been undertaken to form an opinion whether, in all material respects, the control procedures in relation to Western Power’s ETL2 were adequately designed and operated effectively during the audit period.

The planning of this audit included a preliminary risk assessment and an assessment of the control environment for the processes in place within Western Power to ensure compliance with its ETL2. Our assessment was based on the framework of AUS 402 “Risk Assessments and Internal Controls”, the risk evaluation model AS/NZS 4360:2004, and compliance rating scale set out in the “Audit Guidelines: Electricity, Gas and Water Licences July 2009 (“Guidelines”).

Our report has been prepared for Western Power, as the entity responsible for compliance with the ETL2, and the Authority in accordance with section 13 of the Electricity Industry Act 2004 (WA). We disclaim any assumption of responsibility for any reliance on this report to any person other than Western Power and the Authority, or for any purpose other than that for which it was prepared

## 2.4 Audit period

The time period covered by the audit is from 1 April 2008 to 31 October 2009. The previous audit covered the period from 1 April 2006 to 31 March 2008.

The time period over which the audit was conducted was from August to December 2009. This includes planning, field work, reporting and presentation of results to Western Power’s management.

## 2.5 Western Power representatives

Details of the Western Power representatives that participated in the audit are attached at Appendix C.

## 2.6 Western Power key documents

Details of the key documents and information sources examined during the audit are attached at Appendix D.

## 2.7 Audit team members and hours utilised

Team member	Hours
Robert Kirkby, Partner	20
Alistair Smart, Senior Manager	20
Audrea Yong, Senior Consultant	150
Michelle Heng, Senior Consultant	67
Ashley Klass, Consultant	63
Sarah Morey, Consultant	47
<b>Total</b>	<b>367</b>

### 3. Western Power's response to previous audit recommendations

Western Power has implemented 10 of 13 recommendations reported from the 2008 performance audit. We noted that Western Power is working to implement or identify an appropriate resolution for the remaining recommendations.

Licence condition ref.	Issue and recommendation	Actions taken by Western Power	Issue resolved?	Additional action required
(Electricity Compliance Reporting Manual 2007 ref.)				
4.1	<p><i>The licence was renewed on 30 March 2007 and the fee was paid on 23 May 2007. The licence fee was therefore not paid within the required timeframe in 2007.</i></p> <p>Western Power should introduce an automatic reminder to notify that the obligated annual fee payment is to be made within one month from the licence grant/renewal date.</p>	The Assistant to the General Manager Strategy and Corporate Affairs has been assigned the responsibility for making licence fee payments.	No	<p>The Assistant to the General Manager Strategy and Corporate Affairs should set up Lotus Notes calendar alerts as a reminder to pay the licence fee within one month from the licence grant or renewal date.</p> <p>Refer to section 5 for the breach reported for Transmission Licence condition 4.1.</p>
5.1 (1, 2)	<p><i>An attendance record or training register is not maintained for induction training conducted for account managers and client facing staff.</i></p> <p><i>We were therefore unable to verify that these personnel have completed the required induction programme.</i></p> <p>Western Power should introduce and maintain a training register in relation to induction training attended and completed by account managers, particularly with regards to treating retailers on an arms-length basis.</p>	A training register and attendance record has been introduced and is now maintained.	Yes	None.

Licence condition ref.  (Electricity Compliance Reporting Manual 2007 ref.)	Issue and recommendation	Actions taken by Western Power	Issue resolved?	Additional action required
5.1  (326)	<p><i>Planned outages are a multi stage process involving case studies, checks and simulations performed by various personnel, e.g. Planning Engineer and System Operator Controller. The Senior System Operator Controller gives his final approval before the outages can proceed.</i></p> <p><i>A Notice of Intended Works (NOIWs) form is the key document used for planned outages. We were unable to confirm that approval had been provided by the Senior System Operator Controller for all planned transmission outages tested as the NOIW forms have not been designed to provide for the approver's signature. Through discussion, we noted that verbal approvals were given by the Senior System Operator Controller. The Branch Manager Systems Operations Control advised that sign off on each individual NOIW is not practical because of the volume of documents.</i></p> <p>Western Power should introduce an approval process for NOIW forms to be approved by the Senior System Operator Controller, prior to the planned outage, as evidence of review and approval.</p>	Planned outages may be requested by the business by submitting an Access Request form via the intranet. The outage schedule written in ENMAC and progresses through the safety checks and approval steps of Design, Ready, Approved, Pre-check and Ready to Run. System approvals are embedded and logged in ENMAC in line with Western Power's delegated authority levels.	Yes	None.
5.1  (346, 347)	<p><i>We obtained confirmation from the ERA that Western Power submitted their 2006 and 2007 performance reports on 28 September 2006 and 24 September 2007 respectively. Both reports were published on 30 September of the relevant year, meeting the publication timeframe. The 2006 performance report was not submitted within the specified 7 calendar days before publication.</i></p> <p><i>Western Power submitted their 2006 audit report late on 13 April 2007. The 2007 audit report was submitted on 24 September 2007 which met the required deadline.</i></p> <p>Western Power should introduce a formal process to ensure that the performance reports and audit reports are submitted in a timely manner.</p>	The Customer Support Manager prepared a reporting action plan that includes dates for specific tasks to be undertaken to ensure that, going forward, the report is submitted and published in a timely manner.	Yes	None.

Licence condition ref.	Issue and recommendation	Actions taken by Western Power	Issue resolved?	Additional action required
(Electricity Compliance Reporting Manual 2007 ref.)				
5.1  2008 Compliance Reporting Manual Ref. (394)	<p><i>The Western Power disaster recovery plan states that the system will be reinstated within five business days.</i></p> <p>In accordance with the licence obligation, Western Power should develop and implement changes in the Disaster Recovery Plan that would enable its metering database and energy data to be restored within two business days.</p>	<p>A project was established to implement disaster recovery capability for the Metering Business System (MBS) and energy data within two business days. The capability is now in place to recover MBS within 2 business days in the event of a disaster.</p> <p>Disaster recovery testing was performed during the audit period. The results were reported and confirmed that the MBS can be recovered within 2 business days in the event of a disaster.</p>	Yes	None.
5.1  (378)	<p><i>Western Power's meters record energy usage in 15 minute intervals and this data is collated within Western Power into 30 minute trading intervals for reporting to the IMO. Clause 3.16(3) of the Electricity Industry Metering Code 2005 requires agreement between the network operator and Code participants in these instances. No such agreement presently exists.</i></p> <p>Western Power should obtain approval from current Code participants and build the agreement into the standard service level agreements to ensure ongoing compliance.</p>	Service level agreements have been established with Code Participants with the exception of Synergy. The agreements provide that Western Power may collect meter data at 15 minute intervals.	No	<p>Establish and formalise a service level agreement with Synergy in relation to collecting meter data at 15 minute intervals.</p> <p>Refer to section 5 for the breach reported for Electricity Compliance Reporting Manual No. 330.</p>

Licence condition ref.	Issue and recommendation	Actions taken by Western Power	Issue resolved?	Additional action required
(Electricity Compliance Reporting Manual 2007 ref.)				
5.1 (437, 436)	<p><i>Testing is not conducted by Western Power in accordance with the regulations.</i></p> <p><i>Western Power have advised that customer obligations and excessive costs involved to conduct testing regarding supply interruptions outweigh the likelihood of CT and VT accuracy issues.</i></p> <p>Western Power should develop a methodology to comply with the licence obligation. In developing the methodology Western Power should consult with the ERA regarding the requirements of the obligations.</p>	Western Power is currently evaluating the costs and benefits of purchasing the appropriate testing equipment versus outsourcing the task when requests to test CTs and VTs are received from customers. A decision is expected to be made by 31/12/2010. Western Power will commence implementation of the selected methodology no later than three months following the date of the decision.	No	<p>Investigate and identify methods to enable complete compliance with this obligation.</p> <p>Refer to section 5 for the breach reported for Electricity Compliance Reporting Manual No. 389.</p>
13.1	<p><i>The audited accounts for 30 June 2006 and 30 June 2007 were obtained and both reports included a "statement of compliance" in accordance with the AASB.</i></p> <p><i>We noted that Western Power does not have a documented accounting manual that includes references to Australian Accounting Standards or equivalent International Accounting Standards, potentially leading to inconsistent or incorrect accounting standards being applied.</i></p> <p><i>Western Power complies with this licence obligation despite not having an accounting manual because it is not a specific requirement of this obligation.</i></p> <p>Western Power should develop an accounting manual covering all relevant and applicable accounting standards. This will act as a reference resource for the accounting team and guidance for new employees.</p>	Comprehensive accounting and financial reporting policies and procedures are in place and form Western Power's accounting manual. Specific procedures have been documented for each account type and transaction, which refers to Australian Accounting Standards.	Yes	None.

Licence condition ref.  (Electricity Compliance Reporting Manual 2007 ref.)	Issue and recommendation	Actions taken by Western Power	Issue resolved?	Additional action required
17.1	<p><i>There is no formal process in place to monitor significant changes in the corporate, financial or technical circumstances which may affect Western Power's ability to meet its licence obligations. The ERA may not be notified within the prescribed timeframe, as required by the licence obligation.</i></p> <p>Western Power should introduce a periodic checklist to confirm that there is no indication of external administration or significant change in its corporate, financial or technical circumstances.</p>	<p>The recommendation to introduce a checklist was not implemented in favour of an agenda item to discuss Western Power's financial position at monthly and quarterly meetings.</p> <p>Discussions cover the risk of external administration or significant changes to its corporate, financial or technical circumstances. Any significant changes that may put Western Power at risk of going into administration are escalated to the relevant managers. Meeting minutes are documented and retained by the Legal and Governance team assistants.</p>	Yes	None.
18.1	<p><i>Western Power does not maintain a register recording all requests for information from the ERA.</i></p> <p>Western Power should introduce a register to record all requests for information from the ERA.</p>	<p>All directions and notices received from the Authority are recorded in the ERA Correspondence spreadsheet. The spreadsheet is maintained by the Manager Compliance.</p>	Yes	None.
19.1 19.2 19.3	<p><i>The ERA did not request Western Power to publish any information during the audit period however we noted that Western Power does not maintain a register to record requests in the event such direction is received from the ERA.</i></p> <p>Western Power should introduce a register to record all directions received from the ERA to publish information.</p>	<p>All directions and notices received from the Authority are recorded in the ERA Correspondence spreadsheet. The spreadsheet is maintained by the Manager Compliance.</p>	Yes	None.

Licence condition ref.  (Electricity Compliance Reporting Manual 2007 ref.)	Issue and recommendation	Actions taken by Western Power	Issue resolved?	Additional action required
20.1	<p><i>Our testing identified that Western Power received notices from the ERA during the audit scope period; however there is no register to record these notices.</i></p> <p>Western Power should introduce a register to record all notices received from the ERA.</p>	All directions and notices received from the Authority are recorded in the ERA Correspondence spreadsheet. The spreadsheet is maintained by the Manager Compliance.	Yes	None.
22.1 22.2 22.3 22.4 22.5	<p><i>Western Power's Trouble Call Fault Management (TCFM) plan relates to electricity distribution only and does not apply to electricity transmission. Western Power does not have a TCFM for transmission.</i></p> <p>WP should develop and document a trouble call fault management plan for electricity transmission.</p>	<p>Western Power has been responsible for this fault call taking service from 23 March 2009. The service was previously managed by Synergy which was covered by a service level agreement between Western Power and Synergy. This agreement expired on 30 March 2009.</p> <ul style="list-style-type: none"> <li>▶ Western Power commenced handling fault calls from 23 March 2009.</li> <li>▶ Western Power sent a letter to the Authority on 7 April 2009 to request that the Authority amend clause 22 of the Transmission Licence.</li> <li>▶ A second letter was sent to the Authority, dated 31 August 2009, requesting that the Distribution Licence clause 25 and Transmission Licence clause 22 be changed to the following: <ul style="list-style-type: none"> <li>▶ The licensee will operate and maintain a trouble call fault management system.</li> <li>▶ The licensee must provide prior notification to the Authority if it intends to outsource its</li> </ul> </li> </ul>	Yes	None.

Licence condition ref.  (Electricity Compliance Reporting Manual 2007 ref.)	Issue and recommendation	Actions taken by Western Power	Issue resolved?	Additional action required
		<p>trouble call fault management system.</p> <p>The amendment to this licence condition was approved by the Authority on 24 November 2009.</p>		

## 4. Performance compliance summary

The compliance ratings have been applied based on the definitions specified in the Audit Guidelines: Electricity, Gas, and Water Licenses July 2009 issued by the Authority. Refer to Appendix B for detailed definitions.

Licence condition	Licence obligation	Consequence	Likelihood	Inherent risk	Adequacy of existing controls	Compliance rating						
						N/R	N/A	1	2	3	4	5
4	Fees	Minor	Likely	Medium	Weak				✓			
5	Compliance *	Moderate	Likely	High	Weak	✓*						
10	Amendment of Licence on application of the Licensee	Moderate	Likely	High	Strong							✓
12	Extension and expansion	Moderate	Probable	Medium	Strong							✓
13	Accounting records	Moderate	Likely	High	Strong							✓
14	Individual performance standards	Moderate	Likely	High	Strong		✓					
15	Performance audit	Moderate	Probable	Medium	Strong							✓
16	Asset management system	Moderate	Likely	High	Moderate							✓
17	Reporting	Major	Probable	High	Strong							✓
18	Provision of information	Moderate	Likely	High	Strong							✓
19	Publishing information	Minor	Likely	Medium	Strong							✓
20	Notices	Minor	Likely	Medium	Strong							✓
21	Review of the Authority's decisions	Moderate	Probable	Medium	Strong							✓
22	Trouble call fault management plan	Minor	Probable	Low	Strong				✓			

\* Clause 5 encompasses regulations including, but not limited to, the Electricity Industry Customer Transfer Code 2004, Electricity Industry Metering Code 2005, Electricity Industry (Network Quality and Reliability of Supply) Code 2005 and the Code of Conduct for the Supply of Electricity to Small Use Customers 2004. Refer to Appendix A for the individual compliance ratings applied to each obligation covered within clause 5 of the licence.

## 5. Observations, recommendations and post-audit implementation plans

The table below details the key recommendations and observations resulting from the audit on the effectiveness of control procedures conducted in relation to Western Power's Licence obligations. Please refer to Appendix A for the complete audit program and detailed findings resulting from the audit procedures performed. The post audit implementation plan has been developed by Western Power and incorporated with the agreement of Western Power management and does not form part of the auditor's opinion.

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
4.1	85	<p>The 2008 Licence fee was not paid within 1 month after the anniversary date of the Licence. Licence fee paid: 27 May 2008 Anniversary of Licence: 30 March 2008</p> <p>The breach from the 2008 performance audit has not been corrected and the recommendation to have automatic reminders set up in Lotus Notes calendar has not been implemented.</p> <p><b>Obligation:</b> <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.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Licence fee invoice</li> <li>▶ Ellipse</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Manager Pricing, Regulation and Access Development</li> <li>▶ Assistant to General Manager Strategy and Corporate Affairs</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for managing the payment of the licence fee.</li> <li>2. Verify whether the:               <ol style="list-style-type: none"> <li>a. breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>b. recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>3. Obtain supporting evidence that the 2008 and 2009 licence fee was paid to the Authority within 1 month after the anniversary date of grant or renewal of the licence.</li> </ol>	<p>Set up calendar reminders in Lotus Notes to trigger payment of Licence fees before the anniversary date of Western Power's Licence.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ 2009 licence fees have been paid on time. An automatic process has been put in place to ensure that fees are paid by the due date.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Peter Mattner, Manager Regulation, Pricing &amp; Access Development</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Completed. No further action required.</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	31	<p>Sample testing of customer transfers identified 1 instance where Western Power should have objected to a customer transfer request but did not due to unusual circumstances.</p> <p>The commercial customer needed an alternative supply as their existing retailer (Alinta) was unable to supply gas as a result of the gas crisis. Western Power consulted with the incoming retailer (Synergy) and agreed to complete the transfer immediately. Western Power notified the Authority of this breach on 17 June 2008. This breach occurred because of the potential significant impact to the customer and is not expected to occur again.</p> <p><b>Obligation:</b> <i>A network operator must object to a customer transfer request in certain circumstances as set out in clause 4.9(1) of the Electricity Industry Customer Transfer Code.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Market Analyst, Major Customer Section</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the customer transfer process and the circumstances when Western Power must object to a customer transfer request. Determine if this is in accordance with the Code.</li> <li>2. Use the same sample of 25 customer transfers selected for testing under Electricity Compliance Reporting Manual No. 35. <ol style="list-style-type: none"> <li>a. Determine whether circumstances in clause 4.9(1) exist.</li> <li>b. If so, check that Western Power objected to the customer transfer request.</li> </ol> </li> </ol>	<p>In exceptional circumstances where Western Power will breach its obligations for the benefit of a customer, Western Power should discuss the matter with the Authority.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Western Power's existing controls identified the event before it occurred. As a result, a dialogue between Western Power, Synergy and the Authority took place and the customer transfer was actioned for the benefit of the customer concerned. As it was a one-off incident, no further action is required.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	32	<p>Customer transfer requests in large country towns were incorrectly rejected by the Metering Business System (MBS) because some streets were classified as metropolitan instead of a country area. Therefore when incoming retailers nominated a transfer date, MBS recognised them as metropolitan and rejected the transfer request because the date did not meet the requirements of the Code.</p> <p><b>Obligation:</b> <i>A network operator must not object to a customer transfer request otherwise that in accordance with clause 4.9(1) of the Electricity Industry Customer Transfer Code.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Market Analyst, Major Customer Section</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 31.</li> <li>2. Select a sample of 25 rejected customer transfer requests for testing and check the rejection was valid based on one of the following reasons: <ol style="list-style-type: none"> <li>a. the retailer does not have an access contract for the network, unless the rejection was due to an erroneous transfer; or</li> <li>b. information provided by the retailer in the customer transfer request was inconsistent with Western Power's records for the customer; or</li> <li>c. the meter type at the connection point is inconsistent with the requirements under the metering code before the customer may transfer, and the customer transfer request does not request a new meter; or</li> <li>d. the nominated transfer date does not comply with these clause 4.7 timeframes: <ol style="list-style-type: none"> <li>i. if the exit point is in a metropolitan area, at least 3 business days after the date the customer transfer request was submitted; and</li> <li>ii. if the exit point is not in a metropolitan area, at least 5 business days after the date the customer transfer request</li> </ol> </li> </ol> </li> </ol>	<p>Modify the Metering Business System configuration to enable compliance with this obligation.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ On 24 October 2009 a system change was made to MBS (release 53) which introduced settings for Urban, Town and Rural. This system change has remedied this problem.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Manager Customer Solutions</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Completed. No further action required.</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
			<p>was submitted; and</p> <ul style="list-style-type: none"> <li>iii. in either case, no more than 50 business days after the date the customer transfer request was submitted.</li> </ul> <p>or;</p> <ul style="list-style-type: none"> <li>e. the customer transfer request was not valid under these clause 4.5(2) or 4.5(3) restrictions: <ul style="list-style-type: none"> <li>i. Clause 4.5 (2) <p>If on a business day, a retailer has already submitted more than 20 customer transfer requests (unless the network operator and retailer agree otherwise). Any further customer transfer requests submitted by the retailer on that business day are not valid.</p> </li> <li>ii. Clause 4.5 (3) <p>If a retailer has already submitted more than 20 customer transfer requests with the same nominated transfer date (unless the network operator and retailer agree otherwise). Any further customer transfer requests with the same nominated transfer date submitted by the retailer are not valid.</p> </li> </ul> </li> </ul>		

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	302	<p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant. Western Power did not notify the Authority of the above non-compliant meters.</p> <p><b>Obligation:</b> <i>A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and also comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> <li>▶ Meter Management Plan, in-service meter compliance program</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Provision Manager</li> <li>▶ Metering Data Manager</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls to ensure that meters meet the requirements specified in the metrology procedure and other applicable guidelines under the National Measurement Act.</li> <li>2. Walkthrough the processes and controls in relation to meters including: <ul style="list-style-type: none"> <li>- connection application, design, quote and approval</li> <li>- installation</li> <li>- testing and calibration</li> <li>- security</li> <li>- management of meters</li> <li>- outages and malfunction</li> <li>- repairs and maintenance</li> <li>- compensation (adjustments) carried out on meters</li> <li>- monitoring and reporting of meter availability and performance</li> <li>- collection of metering data</li> <li>- provision of electricity under regulated and non-regulated contracts to a contestable customer</li> <li>- charges</li> </ul> </li> <li>3. Obtain a copy of documented policies, procedures, metering management plan and other relevant supporting documentation. E.g. Metering Manual, Meter Management Plan and Inspection System Plan.</li> <li>4. Obtain evidence of an independent accreditation or certification which validates that Western Power's meters comply with the requirements specified under the metrology procedure and the National Measurement Act.</li> </ol>	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Section 9.3 of the Meter Management Plan requires Western Power to replace all non-compliant meters within a three year timeframe. The new meters would be basic electronic meters with minimal functionality and would be replaced with new smart meters if the Advanced Metering Infrastructure is rolled out across the network. This will result in double handling, resource inefficiencies and additional costs to Western Power.</li> <li>▶ Western Power applied to Energy Safety to defer the meter replacement program until December 2015.</li> <li>▶ Approval was provided by Energy Safety in May 2009.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ 31/12/2015</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
			<ol style="list-style-type: none"> <li data-bbox="972 363 1397 544">5. Select a sample of 2 metering reports to determine whether they capture information in relation to compliant and non-compliant meters, key performance data for each type of meter and its availability for the reporting period.</li> <li data-bbox="972 571 1397 699">6. Choose a sample of 25 charges imposed in relation to metrology procedures and confirm they were raised in accordance with a service level agreement</li> </ol>		

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	307	<p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant.</p> <p><b>Obligation:</b> <i>A network operator must, for each metering installation on its network, on and from the time of its connection to the network, provide, install, operate and maintain the metering installation in the manner prescribed (unless otherwise agreed).</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> <li>▶ Meter Management Plan, in-service meter compliance program</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Provision Manager</li> <li>▶ Metering Data Manager</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Section 9.3 of the Meter Management Plan requires Western Power to replace all non-compliant meters within a three year timeframe. The new meters would be basic electronic meters with minimal functionality and would be replaced with new smart meters if the Advanced Metering Infrastructure is rolled out across the network. This will result in double handling, resource inefficiencies and additional costs to Western Power.</li> <li>▶ Western Power applied to Energy Safety to defer the meter replacement program until December 2015.</li> <li>▶ Approval was provided by Energy Safety in May 2009.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ 31/12/2015</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	310	<p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant. Western Power did not notify the Authority of the above non-compliant meters.</p> <p><b>Obligation:</b> <i>If a network operator becomes aware that a metering installation does not comply with the Code, the network operator must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> <li>▶ Meter Management Plan, in-service meter compliance program</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Provision Manager</li> <li>▶ Metering Data Manager</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302 above.</li> <li>2. Select a sample of 25 meters that were non-compliant during the audit scope period for testing. Check to supporting documentation that: <ol style="list-style-type: none"> <li>a. Western Power advised the affected parties of the non-compliance (e.g. retailer, customer) by validating to supporting evidence.</li> <li>b. arrangements to correct the non-compliance were made in a timely manner.</li> </ol> </li> </ol>	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Western Power has provided additional compliance training to the relevant part of the business to ensure that the requirement to report compliance breaches is well understood.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Manager Risk and Compliance</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Completed. No further action required.</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	317	<p>Western Power reported less than 95% data collection timeliness and availability from April 2008 to January 2009. Therefore, the minimum required availability level of 95% prescribed by the Code was not achieved throughout the audit period. This was caused by poor availability results reported in February 2008 as a result of significant contractor resourcing issues (25% staff turnover in January 2008) which led to service failure.</p> <p>Western Power intervened to resolve the availability issue and assisted with the recovery plan during February 2009. This enabled the schedule to be corrected by March 2009 and regular updates were provided to retailers throughout the process. The meter reading cycle has returned to schedule and Western Power has requested the contractor to report its mitigation strategies to prevent the incident from reoccurring.</p> <p><b>Obligation:</b>  <i>A network operator must ensure that a metering installation on its network permits collection of data within the timeframes and to the level of availability specified.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> <li>▶ Metering Service SLA Report</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Provision Manager</li> <li>▶ Metering Data Manager</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302 above.</li> <li>2. Select a sample of 4 monthly performance reports generated from the Metering Business System.</li> </ol> <p>Check that it provides information about the data collected from meters, meter performance and availability of at least 95% per annum and report of any loss in availability.</p>	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p>Consider establishing key performance indicators in the service level agreements and imposing penalties on the contractor for failing to meet the specified service levels.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ It is acknowledged that, due to resource shortages, between October 2007 and May 2008 there was a significant backlog of scheduled reads. Since that time, Western Power's service provider has addressed the resourcing issue and our performance has improved. In addition, a new contract was negotiated with a service provider which included improved service performance targets and incentives. In the first three months of the new contract which commenced on 1 October 2009, Western Power achieved compliance of 99.75%. Western Power anticipates this level of performance will continue.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ 30/06/2010</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	330	<p>Western Power does not collect metering data in 30 minute intervals in accordance with the Metrology Procedure. However formal agreements have been established with each Code Participant, with the exception of Synergy, to collect metering data at an alternative interval of 15 minute intervals.</p> <p>Western Power has not established an agreement with Synergy to collect energy data in sub-multiples (i.e. 15 minutes) rather than the 30 minute intervals prescribed by the Code. Discussions with the Synergy Networks Manager identified that Synergy has requested additional information from Western Power before signing off on the service level agreement. As at the time of drafting this report, Synergy was awaiting a response from Western Power.</p> <p><b>Obligation:</b> <i>If a device is used as a data logger, the energy data for a metering point on the network must be collated in trading intervals within the metering installation unless it has been agreed between the network operator and the Code participant that energy data may be recorded in sub-multiples of a trading interval.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> <li>▶ Meter data collection service level agreements</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Data Manager</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.</li> <li>2. Verify whether the: <ol style="list-style-type: none"> <li>a. breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>b. recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>3. Discuss with key personnel and obtain supporting documentation to determine whether data is collected in 30 minute intervals in accordance with the metrology procedure.</li> </ol> <p>If not, obtain evidence of an agreement between Western Power and the Authority which allows data to be collected at an alternative interval.</p>	<p>Establish and formalise an agreement with Synergy to collect metering data in 15 minute intervals.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Western Power will provide Synergy with the requested information to enable signing of the agreement by the end of June 2010.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ 30/06/2010</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	346	<p>Western Power implemented a Metering Business System (MBS) Disaster Recovery Plan by December 2008. The plan was tested and the results validated that MBS can be recovered within 2 business days. Therefore Western Power was compliant for only a portion of the audit period.</p> <p>The breach from the 2008 performance audit has been corrected and the post audit action plan has been implemented.</p> <p><b>Obligation:</b> <i>A network operator must prepare, and if applicable, must implement a disaster recovery plan to ensure that it is able, within 2 business days after the day of any disaster, to rebuild the metering database and provide energy data to Code participants.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ MBS Disaster Recovery Plan</li> <li>▶ MBS Disaster Recovery Testing Results</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ IT Strategist and Architecture</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures 1 and 2 performed for Electricity Compliance Reporting Manual 344 in relation to disaster recovery.</li> <li>2. Verify whether the: <ol style="list-style-type: none"> <li>a. breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>b. recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>3. Enquire whether disaster recovery testing has been performed during the audit period.  If so, check whether the disaster recovery test details and results were reported, including any issues identified and resolved.</li> <li>4. Determine whether the discovery recovery plan is effective and enables the Metering Business System to be rebuilt within 2 business days.</li> </ol>	<p>No recommendations made. Western Power achieved compliance during the audit period.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul> <p><b>Completion date:</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	361	<p>Western Power reported less than 95% data collection timeliness and availability from April 2008 to January 2009. Therefore, the minimum required availability level of 95% prescribed by the Code was not achieved throughout the audit period, causing data transfers to exceed the prescribed timeframes. This was caused by poor availability results reported in February 2008 as a result of significant contractor resourcing issues (25% staff turnover in January 2008) which led to service failure by the contractor.</p> <p>Refer to the finding identified for Electricity Compliance Reporting Manual No. 317.</p> <p><b>Obligation:</b> <i>A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database within the timeframes prescribed.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> <li>▶ Metering Service SLA Report</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Provision Manager</li> <li>▶ Metering Data Manager</li> </ul>	<p>Discuss with key personnel, the process of transferring energy data from the metering installation to the Metering Business System.</p> <p>Determine whether the process facilitates data to be transferred by no later than 2 business days after the date of a scheduled meter reading or at another time specified in the applicable service level agreement.</p>	<p>Investigate and identify process improvement opportunities to achieve complete compliance with this obligation.</p> <p>Consider establishing key performance indicators in the service level agreements and imposing penalties on the contractor for failing to meet the specified service levels.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ It is acknowledged that, due to resource shortages, between October 2007 and May 2008 there was a significant backlog of scheduled reads. Since that time, Western Power's service provider has addressed the resourcing issue and our performance has improved. In addition, a new contract was negotiated with a service provider which included improved service performance targets and incentives. In the first three months of the new contract which commenced on 1 October 2009, Western Power achieved compliance of 99.75%. Western Power anticipates this level of performance will continue.</li> <li>▶ Note: Data transfers are dependent on the data collection therefore improvements in the latter process will improve the former.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ 30/06/2010</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	362	<p>Sample testing performed identified one instance where an actual meter reading was not taken within a 12 month period to provide an actual value.</p> <p><b>Obligation:</b> <i>A network operator must, for each accumulation meter on its network, use reasonable endeavours to undertake a meter reading that provides an actual value at least once in any 12 month period.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Data Manager</li> </ul>	Select a sample of 25 accumulation meters for testing. Check whether an actual meter reading was taken within a 12 month period, which provided an actual value.	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ A new contract has been negotiated with our service provider effective 1 October 2009. The contract includes improved service performance targets and incentives for full compliance to this annual read obligation. This KPI is monitored and reported monthly. A monthly performance meeting is held to monitor progress and agree actions to ensure compliance.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ 30/06/2010</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	387	<p>Sample testing identified 4 instances where verification results and energy data were not provided within 5 business days as prescribed by the Code. The information was provided within 8 business days in 3 instances and 11 business days in 1 instance.</p> <p>Based on discussions, we noted that the underlying cause was due to a significant increase (approximately 25 times) in the number of requests submitted by Synergy because of an upgrade to their systems.</p> <p><b>Obligation:</b> <i>If a Code participant requests verification of energy data, a network operator must, in accordance with the metrology procedure, use reasonable endeavours to verify energy data and inform the requesting Code participant of the result of the verification and provide the verified energy data within the timeframes prescribed.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Data Manager</li> </ul>	<ol style="list-style-type: none"> <li>1. Select a sample of 25 energy data verification requests during the audit scope period for testing.</li> <li>2. Check that the verification results and energy data was provided no later than 5 business days after receiving the Energy Data Verification Request Form, or such other time as specified in the applicable service level agreement.</li> </ol>	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ The non-compliance occurred as a result of a one-off increase in the number of requests submitted by Synergy. This situation is unlikely to occur again.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	389	<p>Customers may request for a test or audit of their meter through their retailer. The retailer will submit a Service Order to Western Power and the meter is tested in the Meter Provisions lab by a technician. The meter test results are documented in a report which is provided to the customer. However we noted that Western Power's Metering Services do not have the equipment to test Type 1 - Type 4 meters.</p> <p>The breach from 2008 has not been rectified because Western Power's Metering Services do not have the equipment to test Type 1 - Type 4 meters.</p> <p>Discussions with the Metering Strategist identified that Western Power has not received any requests, by a Code Participant of Type 1 - 4 meters, to undertake a test on the accuracy of the metering installation or the energy or standing data of the metering installation. We noted that it would be unlikely for Type 1 - 4 customers to request for a test or audit of its meter or energy data because of the significant impact on their business operations (e.g. financial loss).</p> <p><b>Obligation:</b> <i>A test or audit is to be conducted in accordance with the metrology procedure and the applicable service level agreement.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> <li>▶ Service orders</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Data Manager</li> <li>▶ Metering Strategist</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 388.</p> <p>Audit procedures for Electricity Compliance Reporting Manual No. 388.</p> <ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to perform a test or audit of the metering installation's accuracy or the energy or standing data of the metering installation.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Verify whether the: <ol style="list-style-type: none"> <li>a. breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>b. recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> </ol> <p>This is specific to Electricity Compliance Reporting Manual No. 389.</p> <ol style="list-style-type: none"> <li>4. Select a sample of 50 requests to perform a test or audit received during the audit scope period for testing.</li> </ol> <p>Check that:</p> <ol style="list-style-type: none"> <li>a. the test or audit was performed, by validating to the results reported;</li> </ol>	<p>Investigate, identify and implement methods to achieve complete compliance with this obligation.</p> <p>Western Power's Meter Management Plan provides that testing is required to be conducted four years from commencement of the plan, i.e. in September 2010.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Western Power is currently evaluating the costs and benefits of purchasing the appropriate testing equipment versus outsourcing the task when requests to test CTs and VTs are received from customers. A decision is expected to be made by 31/12/2010. Western Power will commence implementation of the selected methodology no later than three months following the date of the decision. <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> </li></ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
			<ul style="list-style-type: none"> <li>b. where errors were identified, notice was provided to the affected parties in a timely manner;</li> <li>c. where errors were identified, the accuracy of the meter was corrected in accordance with the service level agreement; and</li> <li>d. any charges imposed were in accordance with the applicable service level agreement.</li> </ul>	<p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ 31/12/2010</li> </ul>	

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	392	<p>Sample testing of metering installation tests (non-Type 1-4 meters) performed or auditing of information from the meters associated with the metering installations, or both, identified the following exceptions:</p> <ul style="list-style-type: none"> <li>▶ 5 instances of undercharging to Synergy; and</li> <li>▶ 1 instance of charging for a faulty meter, contravening clause 5.21(8) of the Metering Code.</li> </ul> <p><b>Obligation:</b> <i>A network operator may only impose a charge for the testing of the metering installations, or auditing of information from the meters associated with the metering installations, or both, in accordance with the applicable service level agreement between it and the user.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Service level agreements</li> <li>▶ Metering Business System</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Data Manager</li> <li>▶ Metering Strategist</li> <li>▶ Senior Meteorologist</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 388.	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p>Charges imposed for the testing of metering installations or auditing of information from the metering should be reviewed by appropriate senior personnel.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ From 1 October 2009 Western Power has introduced a system change to ensure correct invoicing to retailers. Prior to invoicing, all Meter Test Service Request completion comments are now manually checked. This has fixed the problem of potential under (or over) charging for this service.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Completed. No further action required.</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	393	<p>Sample testing of metering installation tests performed or auditing of information from the meters associated with the metering installations, or both, identified 1 instance of a charging for a faulty meter. This contravenes clause 5.21(8) of the Metering Code.</p> <p><b>Obligation:</b> <i>Any written service level agreement in respect of the testing of the metering installations, or the auditing of information from the meters associated with the metering installations, must include a provision that no charge is to be imposed if the test or audit reveals a non-compliance with this Code which results in energy data errors in the network operator's favour.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Service level agreements</li> <li>▶ Metering Business System</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Data Manager</li> <li>▶ Metering Strategist</li> <li>▶ Senior Meteorologist</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 388.	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p>Charges imposed for the testing of metering installations or auditing of information from the metering should be reviewed by appropriate senior personnel.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ From 1 October 2009 Western Power has introduced a system change to ensure correct invoicing to retailers. Prior to invoicing, all Meter Test Service Request completion comments are now manually checked. This has fixed the problem of potential under (or over) charging for this service.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Completed. No further action required.</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	411	<p>A Memorandum of Understanding (MOU) was established between Western Power and Horizon Power upon disaggregation, effective from 1 April 2006. The MOU broadly covers the scope of services to be provided by Western Power, however there is insufficient detail to satisfy the requirements of this obligation.</p> <p>Horizon Power formally elected Western Power as its meter data agent effective from 1 October 2009. The services elected are specified within the Service Level Contract Metering Services with Horizon Power, executed as an agreement on 12 October 2009. Therefore Western Power achieved compliance during the audit period.</p> <p><b>Obligation:</b> <i>If a network operator makes an election for the electricity networks corporation to be its metering data agent in relation to a network, then the electing network operator and the electricity networks corporation must enter into a metering data agency agreement in relation to the network, which must deal with at least the matters prescribed.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Memorandum of Understanding - Network planning, systems and other support SLA</li> <li>▶ Metering data election letter</li> <li>▶ Metering Services Service Level Contract with Horizon Power</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Data Manager</li> <li>▶ Service Level Agreement Manager</li> </ul>	Walkthrough the processes in relation to metering data agency agreements, the related obligations and compliance with the required obligations.	<p>No recommendations made. Western Power achieved compliance during the audit period.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	415	<p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant.</p> <p><b>Obligation:</b> <i>A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> <li>▶ Meter Management Plan, in-service meter compliance program</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Provision Manager</li> <li>▶ Metering Data Manager</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough Western Power's processes and controls in place to manage and monitor compliance with: <ol style="list-style-type: none"> <li>a. Its model service level agreement; and</li> <li>b. its communications rules; and</li> <li>c. its metrology procedure; and</li> <li>d. any service level agreement entered into by it;</li> <li>e. its mandatory link criteria; and</li> <li>f. its registration process (if any).</li> </ol> </li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Identify the number of meters that were replaced during the audit scope period. Verify whether the fault was reported to the Authority.</li> <li>4. Select a sample of 4 Quarterly Compliance Reports from the audit scope period. Identify whether any non-compliance were reported for documents listed in audit procedure 1.</li> </ol>	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Section 9.3 of the Meter Management Plan requires Western Power to replace all non-compliant meters within a three year timeframe. The new meters would be basic electronic meters with minimal functionality and would be replaced with new smart meters if the Advanced Metering Infrastructure is rolled out across the network. This will result in double handling, resource inefficiencies and additional costs to Western Power.</li> <li>▶ Western Power applied to Energy Safety to defer the meter replacement program until December 2015.</li> <li>▶ Approval was provided by Energy Safety in May 2009.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ 31/12/2015</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
5.1	432	<p>Sample testing identified one instance where an outage period was 8 hours, exceeding the 6 hours prescribed by the Code for customers south of the 26<sup>th</sup> parallel of latitude.</p> <p><b>Obligation:</b> <i>A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ ENMAC</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Operations Support and Document Control</li> <li>▶ Operational Standards &amp; Development Manager, Network Operations</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 431.</p> <p>Audit procedures for Electricity Compliance Reporting Manual No. 431.</p> <ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for: <ul style="list-style-type: none"> <li>- planned interruptions</li> <li>- unplanned interruptions</li> <li>- managing and minimising the effect of interruptions on customers</li> <li>- alternative means of electricity supply</li> <li>- advising customers of the compensation available and receiving the payments for planned and unplanned interruptions.</li> </ul> </li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Select a sample of 25 customers affected by planned interruptions during the audit scope period for testing.</li> </ol> <p>Check that the duration of interruptions were within the following timeframes:</p> <ol style="list-style-type: none"> <li>a. if the customer's premises are on or south of the 26th parallel of latitude: <ol style="list-style-type: none"> <li>i. 6 hours; or</li> <li>ii. 4 hours, if at the time when notice is given the forecast maximum temperature issued by</li> </ol> </li> </ol>	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Western Power will review its processes in respect of planned interruptions. If required, and reasonably practicable, improvements will be implemented to ensure that the effect of any interruptions on a customer is reduced. In addition, Western Power will establish an appropriate KPI to enable timely monitoring and reporting of planned interruptions.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Shane Duryea, Manager Network Operations</li> </ul> <p><b>Completion date:</b></p> <ul style="list-style-type: none"> <li>▶ 30/06/2010</li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
			<p>the Bureau of Meteorology in Perth for the area in which the premises are situated is 30°C or more for any part of the period of the interruption;</p> <p>b. if the customer's premises are north of the 26th parallel of latitude, 4 hours.</p>		

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
22		<p>The purpose of the trouble call fault management plan was to describe the process Western Power would take to establish a trouble call fault management system. This system was implemented by 23 March 2009 and therefore Western Power has requested the Authority to amend the Licence condition in relation to trouble call fault management in a letter dated 7 April 2009. A second letter was sent to the Authority, dated 31 August 2009, requesting that clause 22 of the Transmission Licence be changed.</p> <p>We noted that the Trouble Call Fault Management Plan applies to distribution only and does not include transmission. Pending the Authority's response, the Manager Customer Assist has held off implementing the recommendation to amend the Trouble Call Fault Management Plan so that it also applies to transmission.</p> <p><b>Obligations:</b></p> <p>22.1 <i>The licensee must have an approved trouble call fault management plan.</i></p> <p>22.2 <i>The licensee must provide the Authority with a draft trouble call fault management plan for the Authority's approval within six months of the commencement date unless directed otherwise by the Authority</i></p> <p>22.3 <i>The trouble call fault management plan must detail the steps the licensee will take to establish a trouble call fault management system and the time in which those steps will be completed.</i></p> <p>22.4 <i>The Authority may direct the licensee to make amendments to the trouble call fault management plan before it will approve the trouble call fault management plan.</i></p> <p>22.5 <i>Once approved by the Authority, the licensee must implement the trouble call fault management plan and notify the Authority:</i></p>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for trouble call fault management and implementation of the trouble call fault management plan.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Verify whether the: <ol style="list-style-type: none"> <li>a. breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>b. recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>4. Obtain and inspect the approved trouble call fault management plan to verify whether the plan includes procedures for establishing a trouble call fault management system and the timeframe for completion.</li> <li>5. Check that the trouble call fault management plan has been approved by the Authority by validating to supporting evidence.</li> </ol>	<p>Investigate, identify and implement process and system improvements to achieve complete compliance with this obligation.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ On 17 April 2009, Western Power submitted an application to the Authority to amend EDL1 and ETL2 in relation to its obligation to maintain a trouble call fault management system.</li> <li>▶ The Authority approved this request and amended both licences on 24 November 2009.</li> <li>▶ The amended provisions read: <ul style="list-style-type: none"> <li>▶ The Licensee will operate and maintain a trouble call fault management system.</li> <li>▶ The Licensee must provide prior notification to the Authority if it intends to outsource its trouble call fault management system.</li> </ul> </li> </ul>	2

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating (for the full audit period)
		<p>a. <i>when the licensee has implemented a step in the trouble call fault management plan; or</i></p> <p>b. <i>when the licensee has failed to implement a step in the trouble call fault management plan, within 2 business days of implementing that step or the time for implementing that step has passed, whichever is applicable.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Trouble Call Fault Management Plan</li> <li>▶ Trouble Call System</li> <li>▶ Correspondence between Western Power and the Authority.</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Manager Customer Assist</li> <li>▶ Manager Compliance</li> </ul>		<p>The amendment of the licence was approved by the Authority on 24 November 2009.</p> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Completed. No further action required.</li> </ul>	

## 6. Improvement opportunities

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating
5.1	355	<p>Western Power provides the customer with a read only password to download meter data to their computer. Large volume users such as power stations will submit a request through their Western Power Accounts Manager. This is subsequently forwarded to the Data Management team, who will issue a service order requesting for a read only password. Metering Provision will then complete the service order and return it to Metering Data who will inform the Account Manager of the password.</p> <p>We noted that access rights and passwords are not reviewed annually. We acknowledge that this is not a compliance requirement however it is an opportunity for improvement.</p> <p><b>Obligation:</b>  <i>A network operator must allow a user who supplies, purchases or generates electricity to have local and (where a suitable communications link is installed) remote access to the energy data for metering points at its associated connection points, using a 'read only' password provided by the network operator.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Business System</li> <li>▶ Correspondence between Western Power and the Authority.</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Metering Data Manager</li> <li>▶ Metering Strategist</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to enable local and remote access to meters for a user who supplies, purchases or generates electricity.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Obtain evidence that remote access rights are reviewed annually where the user's access is renewed or removed depending on their needs.</li> </ol>	<p>Management should review access rights and passwords on an annual basis.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Western Power will consider this process improvement opportunity.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul>	4

Licence condition	Electricity Compliance Reporting Manual ref.	Key findings	Audit procedures	Recommendations	Compliance rating
5.1	358	<p>The Metering Business System (MBS) retains metering data live within the system for 2 years and subsequently archives data for 5 years. Legislative and regulatory requirements prescribe that interval data must be retained online for 15 months and 5 years and 9 months offline (total 7 years). MBS has been configured to retain data for the prescribed timeframes.</p> <p>We noted that Procedures for metering data retention periods and archiving have not been developed. Improvement opportunity noted.</p> <p><b>Obligation:</b> <i>A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network.</i></p> <p><b>Information sources:</b></p> <ul style="list-style-type: none"> <li>▶ Annual Code of Conduct Record Keeping Report</li> <li>▶ Correspondence between Western Power and the Authority.</li> </ul> <p><b>Western Power interviewees:</b></p> <ul style="list-style-type: none"> <li>▶ Lean Deployment Manager, Operational Excellence (formerly Service Quality Manager)</li> <li>▶ Manager Compliance</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 344.</li> <li>2. Select a sample of 25 customers for testing and check that energy data has been retained in the Metering Business System (or in the legacy system CUSREMS) for: <ol style="list-style-type: none"> <li>a. at least 13 months from the date when the data was obtained – in a readily accessible format; and</li> <li>b. after that period for at least a further 5 years and 11 months – in a format that is accessible within a reasonable period of time.</li> </ol> </li> </ol>	<p>Western Power should develop and formally document metering data retention and archiving procedures.</p> <p>Documented procedures should be approved by management and communicated to the relevant metering personnel.</p> <p><b>Post-audit implementation plan</b></p> <ul style="list-style-type: none"> <li>▶ Western Power will consider this process improvement opportunity.</li> </ul> <p><b>Responsible person</b></p> <ul style="list-style-type: none"> <li>▶ Gino Giudice, Manager Customer Assist</li> </ul> <p><b>Completion date</b></p> <ul style="list-style-type: none"> <li>▶ Not applicable.</li> </ul>	4

## 7. Changes to the licence

We do not have any recommendations for Western Power to amend its Transmission Licence (ETL2).

## 8. Assurance Practitioner's Reports

### 8.1 Assurance Practitioner's Report on control effectiveness

#### Independent Assurance Practitioner's Performance Audit Report

To the Board of Directors of Electricity Networks Corporation ("Western Power")

#### Report on the internal controls of Western Power

We have audited Western Power's control procedures in relation to its Transmission Licence (ETL2) clauses 4, 5, 10 and 12-22 for the period 1 April 2008 to 31 October 2009 in order to express an opinion about their effectiveness based on the Audit Plan which was approved by the Economic Regulation Authority on 17 September 2009.

#### Directors' responsibility

The directors are responsible for maintaining an effective internal control structure including controls in relation to compliance with Western Power's Transmission Licence conditions.

#### Assurance practitioner's responsibility

Our audit has been conducted in accordance with AUS 810 *Special Purpose Reports on the Effectiveness of Control Procedures* and Australian Auditing Standards applicable to performance audits and accordingly included such test and procedures as we considered necessary in the circumstances. These procedures have been undertaken to form an opinion whether, in all material aspects, the internal controls in relation to the Transmission Licence conditions were adequately designed and operated effectively based on the criteria referred to above.

This report has been prepared solely for distribution to Western Power, the Economic Regulation Authority and the Minister for Energy for the purposes of the performance audit of its Transmission Licence. We disclaim any responsibility for any reliance on this report to any person other than Western Power, the Economic Regulation Authority and the Minister for Energy or for any purpose other than that for which it was prepared.

#### 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. Further, the internal control structure, within which the control procedures that we have audited operate, has not been audited and no opinion is expressed as to its effectiveness.

An audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis.

Any projection or evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

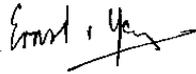
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Qualification**

As detailed in section 5 of this performance audit report, our evaluation of the design and our tests of the operating effectiveness of control procedures designed to achieve compliance with the Transmission Licence identified weaknesses resulting in them not being fully effective. The effect of the design and operating effectiveness weaknesses is that Western Power did not have reasonable assurance that clauses 4, 5 and 22 of the Transmission Licence (ETL2) were consistently achieved.

#### **Assurance practitioner's opinion**

In our opinion, except for the matters referred to in the qualification section, Western Power maintained, in all material respects, effective control procedures in relation to its Transmission Licence (ETL2) clauses 4, 5, 10 and 12-22 for the period 1 April 2008 to 31 October 2009, based on the criteria referred to above.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

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Ernst & Young  
Perth

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Date 11 May 2010

## 8.2 Assurance Practitioner's Report on compliance

### Independent Assurance Practitioner's Compliance Report

To the Board of Directors of Electricity Networks Corporation ("Western Power")

#### Report on the compliance with Transmission Licence (ETL2)

We have audited the compliance of Western Power with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) for the period 1 April 2008 to 31 October 2009.

#### Respective responsibility

The directors are responsible for compliance with the requirements of Western Power's Transmission Licence conditions.

Our responsibility is to express a conclusion on compliance with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) in all material respects. Our audit has been conducted in accordance with applicable Standards on Assurance Engagements ASAE 3100 *Compliance Engagements* to provide reasonable assurance that Western Power has complied with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2). Our procedures included the assessment of the risks of non compliance for each licence clause. These procedures have been undertaken to form a conclusion as to whether the Western Power has complied in all material respects, with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) for the period 1 April 2008 to 31 October 2009.

#### Use of Report

This report has been prepared solely for distribution to Western Power, the Economic Regulation Authority and the Minister for Energy for the purposes of the performance audit of its Transmission Licence. We disclaim any responsibility for any reliance on this report to any person other than Western Power, the Economic Regulation Authority and the Minister for Energy or for any purpose other than that for which it was prepared.

#### 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. Further, the internal control structure, within which the control procedures that we have audited operate, has not been audited and no opinion is expressed as to its effectiveness.

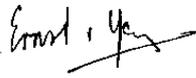
An audit is not designed to detect all instances of non compliance with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2), as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) are undertaken on a test basis. The audit conclusion expressed in this report has been formed on the above basis.

### Qualification

As detailed in section 5 of this performance audit report, our audit procedures identified instances of non-compliance with Clause 4, 5 and 22 of Western Power's Transmission Licence (ETL2).

### Conclusion

In our opinion, except for the matters referred to in the qualification paragraph, Western Power has complied, in all material respects, with the requirements of clauses 4, 5, 10 and 12-22 of Western Power's Transmission Licence (ETL2) for the period 1 April 2008 to 31 October 2009.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

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Ernst & Young  
Perth

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Date 11 May 2010

## 9. Disagreement between Ernst & Young and Western Power

There are no points of disagreement between Ernst & Young and Western Power in relation to the audit findings and or recommendations reported.

# Appendix A Audit program

## Criteria for classification

The classification "Type" ratings for each Licence condition and regulatory obligation in the Audit Program are based on the ratings assigned by the Authority's Electricity Compliance Reporting Manual March 2008.

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

## Audit Guidelines - Ratings

We will meet with the Management group to discuss and agree the inherent risk rating for each Licence obligation under condition. The risk ratings described below are derived from the Authority's Audit Guidelines: Electricity, Gas and Water Licences July 2009.

### Consequence ratings

		Examples on Non-Compliance			
Rating		Supply Quality	Supply Reliability	Consumer Protection	Breaches of legislation or other licence conditions.
1	Minor	Minor public health or safety issues. Breach of quality standards minor - minimal impact on customers.	System failure or connection delays affecting only a few customers. Some inconvenience to customers.	Customer complaints procedures not followed in a few instances. Nil or minor costs incurred by customers.	Licence conditions not fully complied with but issues have been promptly resolved.
2	Moderate	Event is restricted in both area and time e.g., supply of service to one street is affected for up to one day. Some remedial action is required.	Event is restricted in both area and time e.g. supply of service to one street is affected for up to one day. Some remedial is required.	Lapse in customer service standards is clearly noticeable but manageable. Some additional cost may be incurred by some customers	Clear evidence of one or more breaches of legislation or other licence conditions and/or sustained period of breaches.
3	Major	Significant system failure. Life-threatening injuries or widespread health risks. Extensive remedial action required.	Significant system failure. Extensive remedial action required.		

### Likelihood ratings

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

## Inherent risk ratings

Likelihood	Consequence		
	Minor	Moderate	Major
A. Likely	Medium	High	High
B. Probable	Low	Medium	High
C. Unlikely	Low	Medium	High

The inherent risk rating is determined by the combination of the consequence and likelihood ratings, assuming there were no effective controls.

## Description of inherent risk ratings

Level	Description
High	Likely to cause major damage, disruption or breach of Licence obligations
Medium	Unlikely to cause major damage but may threaten the efficiency and effectiveness of service
Low	Unlikely to occur and consequences are relatively minor

## Adequacy ratings for existing controls

The adequacy rating for existing controls has been determined by considering:

- ▶ Non-compliance reported by Western Power during the audit period
- ▶ Non-compliance reported in last year's audit results
- ▶ High risk areas that have been identified by the ERA
- ▶ Knowledge of control strengths and weaknesses identified from the 2008 performance audit

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

## Assessment of audit priority

The audit priority is determined by the combination of inherent risk and adequacy of existing controls resulting with the current level of risk.

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

## Sample size methodology

The sample sizes selected for testing in the Audit Program will be based on the inherent risk assessment and the control frequency for each Obligation under Condition.

Audit priority (Inherent risk)	Control frequency				
	Continuous / Daily	Weekly	Monthly	Quarterly	Annual
1 or 3 (High)	50	10	4	4	All
2 or 4 (Medium)	25	5	2	2	All
5 (Low)	5	2	1	1	1

The audit procedures specified in this indicative Audit Program have been developed based on the obligations under each condition from the Economic Regulation Authority's Electricity Compliance Reporting Manual March 2008. The consequence, likelihood and inherent risk ratings are based on the Economic Regulation Authority's Audit Guidelines: Electricity, Gas and Water Licences July 2009. Only obligations relevant to the Transmission Licence have been included. Where reference to a "Code" is made, it refers to the obligations under the relevant Licence Condition. The audit scope period covers 1 April 2008 to 31 October 2009.

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
1.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 2.2(1)(a)	A network operator must treat all retailers which are its associates on an arms-length basis.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Retail Account Managers and customer facing staff are coached to treat retailers on arms length basis.</li> <li>Account Management Principles, DMS# 4394639.</li> </ul>	<ol style="list-style-type: none"> <li>Identify whether any retailers are an associate of Western Power. If associates exist:</li> <li>Inspect Western Power's Account Management Principles to identify whether it contains guidelines for the treatment of retailers on an arms-length basis.</li> <li>Examine the training register to identify if any coaching or training has been conducted for account managers in relation to treating retailers on an arms-length basis.</li> <li>Discuss with key personnel and obtain any supporting evidence to assess whether all retailers have been extended similar benefits.</li> </ol>	<ol style="list-style-type: none"> <li>No retailers are an associate of Western Power</li> <li>We inspected Western Power's Account Management Principles and noted that it contains guidelines regarding the treatment of retailers on an arms-length basis. We noted that none of the retailers are an associate of Western Power.</li> <li>Account managers are trained about the requirements to treat retailers on an arms-length basis included in their induction training. We sighted the training register and ongoing team. None of the retailers are an associate of Western Power.</li> <li>Not applicable. None of the retailers are an associate of Western Power.</li> </ol> <p><b>Conclusion: Not applicable</b></p>	N/A
2.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 2.2(1)(b)	A network operator must ensure that no retailer which is its associate receives a benefit in respect of the Electricity Industry Customer Transfer Code unless the benefit is either attributable to the arms-length application of the Electricity Industry Customer Transfer Code or the benefit is made available to all other retailers.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Retail Account Managers and customer facing staff are coached to treat retailers on arms length basis.</li> <li>Account Management Principles, DMS# 4394639.</li> </ul>	<ol style="list-style-type: none"> <li>Identify whether any retailers are an associate of Western Power. If associates exist:</li> <li>Enquire whether any benefits are provided to associates.</li> <li>Obtain evidence to assess whether the benefits provided to the associate retailer are consistently applied to all retailers.</li> </ol>	<ol style="list-style-type: none"> <li>Through discussions with the Account Manager, no retailers are associates with Western Power</li> <li>N/A</li> <li>N/A</li> </ol> <p><b>Conclusion: Not applicable</b></p>	N/A
3.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.1(1)(a)	A network operator must publish a request for standing data form which must comply with Annex 1 of the Electricity Industry Customer Transfer Code.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Forms published on the Metering Service Centre portal have been designed to meet the requirements.</li> <li>Metering Business System (MBS) configuration</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> <li>Web Portal MBS provide meter data process</li> </ul>	<p>Check the Western Power Online Portal to determine whether a standing data request form is published in compliance with the requirements of this Code.</p>	<p>Forms published on the Metering Service Centre Portal have been designed to meet the Code requirements.</p> <p>We inspected the form and noted that it complies with the requirements of the Code.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
4.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.1(1)(b)	A network operator must publish a request for historical data form which must comply with Annex 2 of the Electricity Industry Customer Transfer Code.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Forms published on the Metering Service Centre portal have been designed to meet the requirements.</li> <li>Metering Business System (MBS) configuration</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> <li>Web Portal MBS provide meter data process</li> </ul>	Check the Western Power Online Portal to determine whether a historical data request form is published in compliance with the requirements of this Code.	Inspected the meter history (i.e. historical data) request form via the Portal and checked that it complies with the requirements of this Code.  <b>Conclusion: Compliant</b>	5
5.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.1(2)	If a network operator publishes an amended data request form it must comply with Annex 1 or Annex 2 of the Electricity Industry Customer Transfer Code, as applicable.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Forms published on the Metering Service Centre portal have been designed to meet the requirements.</li> <li>Metering Business System (MBS) configuration</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> <li>Web Portal MBS provide meter data process</li> </ul>	Check the Western Power Online Portal to determine whether an amended data form is published in compliance with the requirements of this Code.	Western Power has not published an amended data form and therefore the requirements of this obligation are not applicable.  <b>Conclusion: Not applicable</b>	N/A
10.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.7(1)	A network operator must, subject to clause 3.7(3) of the Electricity Industry Customer Transfer Code, electronically notify a retailer if its data request is not valid.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Metering Business System (MBS) configuration</li> </ul>	Discuss with key personnel, the process to notify retailers of an invalid data request. Obtain or sight the policies and procedures that have been established for this requirement.	The Metering Business System (MBS) has been configured to reject invalid data requests. This is an automated process whereby the retailer is provided with an instant electronic notification of the invalid data request via MBS.  <b>Conclusion: Compliant</b>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
11.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.7(2)	A network operator must comply with clause 3.7(1) of the Electricity Industry Customer Transfer Code within defined timeframes depending on the number of standing or historical data requests that the retailer submits.	Distribution, Transmission	2	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS) configuration</li> </ul>	<p>Select a sample of 25 invalid standing data and 25 invalid historical data requests received from retailers during the audit scope period for testing.</p> <p>Validate that an electronic notice of the invalid request was provided to the retailer within:</p> <ol style="list-style-type: none"> <li>1 business day after Western Power received the data request, if the data request is one of up to 10 requests submitted by the retailer on the same business day; or</li> <li>2 business days after Western Power received the data request, if the data request is one of more than 10 requests submitted by the retailer on the same business day.</li> </ol>	<p>The Metering Business System (MBS) has been configured to reject invalid data requests using business rules designed in the system in accordance with the Metering Code.</p> <p>Sample testing of 25 was not performed because this is an automated process. Therefore, we performed a test of 1 for an automated process and noted that an error message is displayed as a result of submitting an invalid standing data or historical data request. No exceptions noted.</p> <p><b>Conclusion: Compliant</b></p>	5
12.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.8(1)	A network operator must use all reasonable endeavours to provide to the retailer the requested data under a valid data request.	Distribution, Transmission	NR	Minor	Likely	Medium	Moderate	4		<ul style="list-style-type: none"> <li>• Metering Business System (MBS) configuration</li> </ul>	<p>Discuss with key personnel, the process to provide retailers with the requested data. Obtain or sight the policies and procedures that have been established for this requirement.</p>	<p>Retailers submit data requests using the Western Power Metering Services Centre online portal or directly to Western Power using an .xml request. The portal is a web based application that interfaces with the Metering Business System (MBS).</p> <p>We obtained a copy of the Functional Specifications - Web Portal which describes the transactions, processes and controls that have been built into the MBS.</p> <p><b>Conclusion: Compliant</b></p>	5
13.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.8(2)(a)	A network operator must provide the requested data under a valid data request electronically in a format in accordance with the communication rules if they have been approved or otherwise in accordance with the metering code.	Distribution, Transmission	2	Moderate	Probable	Medium	Moderate	4		<ul style="list-style-type: none"> <li>• Metering Business System (MBS) configuration</li> </ul>	<ol style="list-style-type: none"> <li>1. Discuss with key personnel, the process to provide retailers with the requested data. Obtain a copy of the Communication Rules to assess whether the current process complies with the requirements.</li> <li>2. Refer to testing performed for Electricity Compliance Reporting Manual No.14.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to walkthrough performed from Electricity Compliance Reporting Manual No. 12. All data requested is returned to the requestor in an electronic format, in accordance with the Communication Rules.</li> <li>2. Refer to sample testing performed under Electricity Compliance Reporting Manual No. 14.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
14.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.8(2)(b)	A network operator must provide the requested data under a valid data request in accordance with a specified timetable.	Distribution, Transmission	2	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>Metering Business System (MBS) configuration</li> </ul>	<p>Select a sample of 25 data requests received from retailers during the audit scope period for testing.</p> <p>Validate that Western Power provided the requested data within:</p> <p>a. 2 business days, if up to 5 of that type of data request was submitted by the retailer on the same business day, it was received before 3.00 pm and no later than 5.00 pm, or 3 business days after if received after 3.00 pm after that day;</p> <p>b. 4 business days, if 6 - 10 of that type of data request was submitted by the retailer on the same business day, it was received before 3.00 pm and no later than 5.00 pm, or 5 business days after if received after 3.00 pm after that day; or</p> <p>c. 5 business days, if 11 - 20 of that type of data request was submitted by the retailer on the same business day, it was received before 3.00 pm and no later than 5.00 pm, or 6 business days after if received after 3.00 pm after that day.</p>	<p>Sample testing performed of 25 data requests received from retailers identified that Western Power provided the requested data within the prescribed timeframes. No exceptions noted.</p> <p><b>Conclusion: Compliant</b></p>	5
15.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.8(3)	A network operator must electronically notify the retailer of the most likely exit points to which a data request relates, up to a maximum of 10, if a retailer submits a data request under clause 3.4 and the network operator has not allocated a UMI for the exit point and it is unable to determine a single exit point to which the data request relates.	Distribution, Transmission	2	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>Metering Business System (MBS) configuration</li> </ul>	<p>Select a sample of 25 standing data and 25 historical data requests received from retailers:</p> <p>a. which have not been allocated a UMI for the exit point; or</p> <p>b. do not have a determined single exit point.</p> <p>during the audit scope period for testing.</p> <p>Validate that Western Power notified the retailer electronically within 1 business day of receiving the data request, the most likely exit points to which the data request relates, up to a maximum of 10 most likely exit points.</p>	<p>All exit points have been allocated a UMI (NMI) hence there is nil population to test.</p> <p><b>Conclusion: N/R</b></p>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
20.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.10(1)	A network operator must not charge for the provision of standing data.	Distribution, Transmission	2	Moderate	Probable	Medium	Moderate	4		<ul style="list-style-type: none"> <li>MBS configurations eliminate charges for provision of applicable standing data requests.</li> </ul>	Discuss with key personnel and obtain supporting evidence that Western Power does not impose a charge on customers for the provision of standing data	<p>The Metering Business System has been configured to provide standing data instantly on screen when a standing data request is submitted via the Metering Services Centre web based portal and no charges are imposed on the retailer.</p> <p>We performed a walkthrough of NMI #80010005983 and noted that Western Power does not charge for the provision of standing data.</p> <p><b>Conclusion: Complaint</b></p>	5
21.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.10(2)	A network operator must not charge more for historical consumption data than the defined amounts.	Distribution, Transmission	2	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>MBS configurations eliminate charges for provision of applicable standing data requests.</li> </ul>	<p>Select a sample of 25 historical consumption data requests received from retailers during the audit scope period.</p> <p>Validate whether charges imposed were in accordance with the following:</p> <ol style="list-style-type: none"> <li>if the historical consumption data is for 12 months or less, not more than \$45 per request for historical consumption data; and</li> <li>if the historical consumption data is for more than 12 months, the charge was agreed between the network operator and the retailer, and reflected the reasonable cost incurred by the network operator in providing the historical consumption data.</li> </ol>	<p>Obtained the Service Order Report containing a list of charges to retailers for the audit period. Inspection of the report noted that no charges were applied for the provision of historical consumption data. No exceptions noted.</p> <p><b>Conclusion: Compliant</b></p>	5
22.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.1	A network operator must publish a customer transfer request form which must comply with Annex 3 of the Electricity Industry Customer Transfer Code.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Forms published on the Metering Service Centre portal have been designed to meet the requirements.</li> <li>Metering Business System (MBS) configuration</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> <li>Web Portal MBS provide customer transfer process</li> </ul>	Check the Western Power Online Portal to determine whether a customer transfer request form is published in compliance with the requirements of this Code.	<p>Forms published on the Metering Service Centre Portal have been designed to meet the Code requirements.</p> <p>Inspected the customer transfer request form via the Portal and validated that it complies with the requirements of this Code.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
31.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.9(1)	A network operator must object to a customer transfer request in certain circumstances as set out in clause 4.9(1) of the Electricity Industry Customer Transfer Code.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>MBS has been designed to meet this requirement.</li> <li>Customer transfer process includes reasons for objecting to customer transfer request.</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the customer transfer process and the circumstances when Western Power must object to a customer transfer request. Determine if this is in accordance with the Code.</li> <li>Use the same sample of 25 customer transfers selected for testing under Electricity Compliance Reporting Manual No. 35. <ol style="list-style-type: none"> <li>Determine whether circumstances in clause 4.9(1) exist.</li> <li>If so, check that Western Power objected to the customer transfer request.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>With the assistance of the Market Analyst, a walkthrough of the customer transfer process was performed. Customer transfer requests are electronically submitted by the retailer via the Metering Services Centre portal. Validation checks and business rules have been configured into the Metering Business System, which interfaces with the portal, to reject a customer transfer request based on reason prescribed by clause 4.9(1) of the Code.</li> <li>Sample testing of customer transfers identified 1 instance where Western Power should have objected to a customer transfer request but did not due to special circumstances.  The commercial customer urgently required energy supply as their existing retailer (Alinta) was unable to meet their requirements due to the gas crisis. Western Power consulted with the incoming retailer (Synergy) and agreed to complete the transfer.  Western Power's existing controls identified the event before it occurred. As a result, a dialogue between WP, Synergy and the Authority took place and the customer transfer was actioned for the benefit of the customer concerned. Western Power notified the Authority of this breach on 17 June 2008 and does not expect this breach to happen again. Exception noted.</li> </ol> <p><b>Conclusion: Non compliant</b></p>	2
32.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.9(2)	A network operator must not object to a customer transfer request otherwise than in accordance with clause 4.9(1) of the Electricity Industry Customer Transfer Code.	Distribution, Transmission	2	Moderate	Likely	High	Weak	1	Breach - 2009 Annual Compliance Report	<ul style="list-style-type: none"> <li>Metering Business System (MBS) has been designed to meet this requirement.</li> <li>Customer transfer process includes reasons for objecting to customer transfer request.</li> </ul>	<ol style="list-style-type: none"> <li>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 31.</li> <li>Select a sample of 25 rejected customer transfer requests for testing and check the rejection was valid based on one of the following reasons: <ol style="list-style-type: none"> <li>the retailer does not have an access contract for the network, unless the rejection was due to an erroneous transfer; or</li> <li>information provided by the retailer in the customer transfer request was</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Refer to Electricity Compliance Reporting Manual No. 31.</li> <li>The Metering Services Centre portal has been configured to reject customer transfer requests that do not satisfy the requirements per clause 4.9(2) of the Customer Transfer Code. No actual rejections take place and therefore nil population to test.  However based on discussions with the Market Analyst, we noted that customer transfer requests in large country towns were incorrectly rejected (55 customers affected, i.e. 3.7% of all transfers) by the Metering</li> </ol>	2

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
													<p>inconsistent with Western Power's records for the customer; or</p> <p>c. the meter type at the connection point is inconsistent with the requirements under the metering code before the customer may transfer, and the customer transfer request does not request a new meter; or</p> <p>d. the nominated transfer date does not comply with these clause 4.7 timeframes:</p> <p>i. if the exit point is in a metropolitan area, at least 3 business days after the date the customer transfer request was submitted; and</p> <p>ii. if the exit point is not in a metropolitan area, at least 5 business days after the date the customer transfer request was submitted; and</p> <p>iii. in either case, no more than 50 business days after the date the customer transfer request was submitted.</p> <p>or;</p> <p>e. the customer transfer request was not valid under these clause 4.5(2) or 4.5(3) restrictions:</p> <p>i. Clause 4.5 (2)</p> <p>If on a business day, a retailer has already submitted more than 20 customer transfer requests (unless the network operator and retailer agree otherwise). Any further customer transfer requests submitted by the retailer on that business day are not valid.</p> <p>ii. Clause 4.5 (3)</p> <p>If a retailer has already submitted more than 20 customer transfer requests with the same nominated transfer date (unless the network operator and retailer</p>	<p>Business System (MBS). Manual intervention was required to correct the issue. Some streets were classified as metropolitan instead of a country area, therefore when incoming retailers nominated a transfer date, MBS recognised them as metropolitan and rejected the transfer request because the date did not meet the requirements of the Code. We noted that a service request to modify the MBS has been raised and the anticipated completion date is 30 June 2010.</p> <p><b>Conclusion: Non compliant</b></p>	

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
													agree otherwise). Any further customer transfer requests with the same nominated transfer date submitted by the retailer are not valid.		
33.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.9(3)	A network operator that objects to a customer transfer request must give an electronic notice detailing specified information to a retailer within the timeframe prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>MBS has been designed to meet this requirement.</li> <li>Customer transfer process includes reasons for objecting to customer transfer request.</li> </ul>	<p>Use the same sample of 25 rejected customer transfer requests selected for testing under Electricity Compliance Reporting Manual No. 32.</p> <p>Check that an electronic notice with the following information was provided to the retailer within 2 business days of the request:</p> <ol style="list-style-type: none"> <li>reasons for the objection;</li> <li>advise of the steps to follow to enter into an access contract;</li> <li>identification of the data that is inconsistent with the network operator's data;</li> <li>advise of the meter change required under the metering code and an estimate of the likely costs of doing so; and</li> <li>advise why the nominated transfer date is not compliant.</li> </ol>	<p>An automated error message is displayed on the portal detailing the reasons why the customer transfer request was unable to be processed. If the retailer is still unclear as to the reason why the request was rejected, they can contact the Market Analyst for further information. Sample testing performed identified no exceptions.</p> <p><b>Conclusion: Compliant</b></p>	5
34.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Forms published on the Metering Service Centre portal have been designed to meet these requirements.</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> <li>Web Portal MBS provide meter data process</li> </ul>	<p>Use the same sample of 25 rejected customer transfer requests selected for testing under Electricity Compliance Reporting Manual No. 32.</p> <p>Check that a revised nominated transfer date was agreed between Western Power and the retailer where the conditions for transfer were satisfied.</p>	<p>Sample testing performed of 25 rejected customer transfer requests identified no exceptions.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
35.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.10(1)	A network operator must take certain action in accordance with a defined timetable following the receipt of a valid customer transfer request, subject to clauses 4.10(2) and 4.10(3) of the Electricity Industry Customer Transfer Code and using all reasonable endeavours to affect the transfer.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Forms published on the Metering Service Centre portal have been designed to meet these requirements.</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> <li>Web Portal MBS provide meter data process</li> </ul>	<p>Select a sample of 25 valid customer transfer requests received during the audit scope period for testing.</p> <p>Check that:</p> <ol style="list-style-type: none"> <li>within 1 business day after it receives the request, Western Power electronically notified the current retailer of the nominated transfer date; and</li> <li>a scheduled meter read or a special meter read is conducted for the contestable customer on the nominated transfer date.</li> </ol>	<ol style="list-style-type: none"> <li>Sample testing performed of 25 valid customer transfer request noted that Western Power provided electronic notification on the same business day as the request. No exceptions noted.</li> <li>Sample testing performed of 25 valid customer transfer request noted that a meter read was performed on the nominated transfer date. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
36.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.10(2)	A network operator must take certain action if it considers that it is unlikely to be able to meet its obligations under clause 4.10(1) of the Electricity Industry Customer Transfer Code within the defined timetable.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Forms published on the Metering Service Centre portal have been designed to meet these requirements.</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> <li>Web Portal MBS provide meter data process</li> </ul>	<p>Use the same sample of 25 valid customer transfer requests selected for testing under Electricity Compliance Reporting Manual No. 35.</p> <p>For those that did not meet the prescribed timeframes, check that Western Power took the following actions:</p> <ol style="list-style-type: none"> <li>within 2 business days after receiving the customer transfer request, electronically notified the retailer why the timetable will not be met and its proposed timetable for the transfer; and</li> <li>the retailer which submitted the customer transfer request may agree to the proposed timetable for the transfer, in which case the agreed timetable applies; and</li> <li>if a timetable involves a different nominated transfer date, Western Power electronically notified the retailer of the new nominated transfer date within 1 business day after agreement is reached; and</li> <li>if the retailer does not agree to the timetable proposed, then Western Power must endeavour to enable the transfer to occur on the retailer's nominated transfer date.</li> </ol>	<p>Sample testing performed of 25 valid customer transfer requests identified that customers were transferred within the prescribed timeframe.</p> <p>Walkthroughs performed noted that the established processes and system will enable Western Power to perform the specified actions, in the event that the timeframes cannot be met.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
37.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.10(3)	In certain circumstances a network operator must electronically notify the retailer of the most likely exit points to which a customer transfer request relates, up to a maximum of 10, if the network operator has not allocated the exit point a UMI and it is unable to determine a single exit point to which the customer transfer request relates, within the specified timeframe.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>MBS has been designed to meet this requirement (automated process)</li> </ul>	<p>Select a sample of 25 customer transfer requests received from retailers during the audit scope period, which have not been allocated a UMI for the exit point; or do not have a determined single exit point.</p> <p>Check that Western Power notified the retailer electronically within 1 business day of receiving the data request, the most likely exit points to which the data request relates, up to a maximum of 10 most likely exit points.</p>	<p>All Western Power's exit points are allocated a NMI and there are no unallocated exit points. Therefore there is nil population to test.</p> <p>Obtained a copy of Western Power's NMI Allocation Procedures as supporting evidence.</p> <p><b>Conclusion: Not rated</b></p>	N/R
38.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer clause 4.11(1)	A transfer may only occur on a day the contestable customer's meter is actually read.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>MBS has been designed to meet this requirement.</li> </ul>	<p>Use the same sample of 25 valid customer transfer requests selected for testing under Electricity Compliance Reporting Manual No. 35.</p> <p>Check that:</p> <ol style="list-style-type: none"> <li>customer consent was provided prior to the transfer;</li> <li>transfers were made on the day the contestable customer's meters was read; and</li> <li>electronic notice of the transfer and transfer date was provided to the incoming retailer and previous retailer within 2 business days.</li> </ol>	<ol style="list-style-type: none"> <li>The retailer is responsible for checking that the customer has provided verifiable consent prior to executing a customer transfer request. Consequently, Western Power accepts a submitted customer transfer request as the customer's consent.</li> <li>MBS schedules the meter read date to the same date that the customer transfer is to be made.</li> <li>The portal is a web based application and instant notification is provided to both the previous and incoming retailer when the transfer status automatically changes to 'Complete' in the MBS.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
39.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>MBS has been designed to meet this requirement.</li> </ul>	<p>Use the same sample of 25 valid customer transfer requests selected for testing under Electricity Compliance Reporting Manual No. 35.</p> <p>If the customer's meter was not read on the nominated transfer date, check that Western Power:</p> <ol style="list-style-type: none"> <li>and incoming retailer set a new nominated transfer date which was as close as practicable to the original nominated transfer date; and</li> <li>within 1 business day after the nominated transfer date, electronically notified the current retailer: <ol style="list-style-type: none"> <li>that the meter was not read on the nominated transfer date; and</li> <li>of the new nominated transfer date agreed between the network operator and incoming retailer.</li> </ol> </li> </ol>	<p>All 25 sampled customer transfer meters were read on the nominated transfer date. No exceptions noted.</p> <p>Walkthroughs performed noted that the established processes and system will enable the specified actions to be performed, in the event that Western Power is unable to meet the timeframes.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
40.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	Distribution, Transmission	NR	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>MBS has been designed to meet this requirement.</li> <li>Objections state the reason, data omission, meter incompatibility or inability to process within requested timeframe.</li> <li>In accordance with the Customer Transfer Code, attempts are made to negotiate with retailer where transfer date is not achievable.</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the process to amend an access contract with retailers and obtain supporting evidence.</li> <li>Enquire whether any access contracts have been amended during the audit scope period. If so, select a sample of 25 amended contracts for testing and check that Western Power and the retailer signed off as evidence of agreement to the amendments.</li> </ol>	<ol style="list-style-type: none"> <li>A walkthrough of the process to amend an access contract with retailers was performed with the assistance of the Market Analyst.</li> <li>Through discussions with the Account Manager and Market Analyst, it was noted that no access contracts were amended during the audit period.</li> </ol> <p><b>Conclusion: Not rated</b></p>	N/R
41.	Electricity Industry (Licence Conditions) regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.13	A network operator must within two business days after the transfer date give an electronic notice of the transfer and the transfer date to the incoming retailer, the previous retailer and, if applicable, the independent market operator.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>MBS has been designed to meet this requirement.</li> <li>Objections state the reason, data omission, meter incompatibility or inability to process within requested timeframe.</li> <li>In accordance with the Customer Transfer Code, attempts are made to negotiate with retailer where transfer date is not achievable.</li> </ul>	Refer to testing performed for Electricity Compliance Reporting Manual No. 38 above.	<p>Refer to Electricity Compliance Reporting Manual No. 38.</p> <p>The portal is a web based application and instant notification is provided to the previous and incoming retailer and the independent market operator where required, when the transfer status changes to 'Complete' in the MBS. The system has been configured to meet the requirements of this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5
42.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.14	A network operator must, following a transfer, do all that is necessary to ensure that charges up to the transfer time are paid by or charged to the previous retailer and charges from the transfer time are paid by or charged to the incoming retailer.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>MBS has been designed to meet this requirement.</li> <li>Objections state the reason, data omission, meter incompatibility or inability to process within requested timeframe.</li> <li>In accordance with the Customer Transfer Code, attempts are made to negotiate with retailer where transfer date is not achievable.</li> </ul>	<p>Use the same sample of 25 valid customer transfer requests selected for testing under Electricity Compliance Reporting Manual No. 35.</p> <p>Check that Western Power charges:</p> <ol style="list-style-type: none"> <li>up to the transfer time, are paid by or charged to the previous retailer; and</li> <li>from the transfer time, are paid by or charged to the incoming retailer.</li> </ol>	<p>Sample testing performed of 25 valid customer transfer requests and validation of each transfer in the MBS identified that Western Power correctly charged the relevant retailers. No exceptions noted.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
43.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and the independent market operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.	Distribution, Transmission	NR	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>MBS has been designed to meet this requirement.</li> <li>Objections state the reason, data omission, meter incompatibility or inability to process within requested timeframe.</li> <li>In accordance with the Customer Transfer Code, attempts are made to negotiate with retailer where transfer date is not achievable.</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place to manage erroneous (reverse) transfers.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Select a sample of 25 customer transfers that were made to reverse an erroneous transfer during the audit scope period for testing.</li> </ol> <p>Determine whether Western Power acted to preserve the affected customer's rights and obligations as if the erroneous transfer did not occur.</p>	<ol style="list-style-type: none"> <li>A walkthrough of the process for erroneous transfers was performed with the assistance of the Market Analyst. The Metering Business System (MBS) has been designed to reject incomplete, incorrectly completed or invalid customer transfer requests based on the requirements of the Customer Transfer Code.</li> </ol> <p>If the customer transfer request submitted is invalid (i.e. incorrectly completed), an instant error notification will be displayed on screen including the error details. The retailer must subsequently correct the inaccuracies or errors prior to resubmission of the customer transfer request.</p> <ol style="list-style-type: none"> <li>We obtained a copy of the Major Customer Section policies and procedures.</li> <li>There was 1 incident of a customer transfer made to reverse an erroneous transfer during the audit period. Based on discussions with the Market Analyst and email correspondence obtained as supporting documentation, we noted that the customer's rights were not affected during the erroneous transfer period. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
46.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 5.1(1)	A network operator must submit communication rules to the Authority within six months after the commencement of the Electricity Industry Customer Transfer Code.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Communication Rules</li> </ul>	<p>Obtain and inspect Western Power's Communication Rules to determine whether it contains rules governing the format and protocols for communicating information and data between Western Power and retailers.</p> <p>Obtain supporting evidence that the Communication Rules were submitted to the Authority within 6 months of commencement of the Electricity Industry Customer Transfer Code.</p>	<p>The Communication Rules were developed in 2005 in accordance with the obligations from the Electricity Industry Metering and Customer Transfer Codes.</p> <p>This obligation was tested in the previous Licence audit in 2008 and Western Power was compliant. No changes to communication rules had been made during the audit period.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
47.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 5.1(3)	A network operator must take certain action before submitting the communication rules to the Authority.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Communication Rules and supporting documentation</li> </ul>	<p>Walkthrough the process for developing the communication rules. Determine whether:</p> <ol style="list-style-type: none"> <li>retailers have been given an opportunity to make submissions regarding the proposed communication rules;</li> <li>Western Power provided a report to the Authority that: <ol style="list-style-type: none"> <li>identified the process through which the proposed communication rules were developed, including details of consultation with retailers;</li> <li>described how the communication rules comply with the criteria specified within the Code; and</li> <li>included copies of submissions received from retailers.</li> </ol> </li> </ol>	<p>The Communication Rules were developed in 2005 in accordance with the obligations from the Electricity Industry Metering and Customer Transfer Codes.</p> <p>This obligation was tested in the previous Licence audit in 2008 and Western Power was compliant. No changes to communication rules had been made during the audit period, therefore no further work performed.</p> <p><b>Conclusion: Compliant</b></p>	5
48.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 5.1(4)	A network operator and a retailer must comply with approved communication rules.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>Enquire whether any non-compliance with the communication rules occurred during the audit scope period.</li> <li>Inspect the internal reports, the Annual Compliance Reports and Quarterly Compliance Reports to check whether non-compliances were reported.</li> </ol>	<ol style="list-style-type: none"> <li>No incidents of non-compliance against the communication rules occurred during the audit scope period.</li> <li>We inspected the 2008 and 2009 Annual Compliance Reports and Quarterly Compliance Reports for the audit period and noted that no instances of non-compliance against the Communication Rules were reported by Western Power.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
49.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>MBS has been designed to meet this requirement.</li> </ul>	<p>Refer to the following testing performed for:</p> <ol style="list-style-type: none"> <li>Data requests - Electricity Compliance Reporting Manual No. 15; and</li> <li>Customer transfer requests - Electricity Compliance Reporting Manual No. 37.</li> </ol>	<ol style="list-style-type: none"> <li>Refer to Electricity Compliance Reporting Manual No. 15</li> <li>Refer to Electricity Compliance Reporting Manual No. 37.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
50.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 6.3(1)	A network operator must use its reasonable endeavours to ensure that a retailer can give it a notice by post, facsimile or electronic communication and notify the retailer of a telephone number for voice communication.	Distribution, Transmission	NR	Moderate	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Web Portal MBS</li> <li>• Functional specifications</li> </ul>	<p>Check the Western Power website to confirm whether:</p> <p>a. Western Power's mail, facsimile or electronic communication address is provided for retailers to send notices; and</p> <p>b. Western Power has notified the retailer of their telephone number for voice communication. Obtain supporting evidence of the notification.</p>	<p>a. Western Power, 'Contact Us' webpage was sighted. Email, Postal address and facsimile are published on the website.</p> <p>b. Western Power, 'Contact Us' webpage was sighted. Telephone contact for voice communication was published.</p> <p><b>Conclusion; Compliant</b></p>	5
51.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 6.3(2)	A network operator must notify each retailer of its initial contact details, and any amended contact details at least three business days before the change takes effect.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Web Portal MBS</li> <li>• Functional specifications</li> <li>• Communication rules</li> <li>• Code of Conduct</li> <li>• Contact details for notices are provided in the schedules to the Electricity Transfer Access Contracts with each retailer</li> </ul>	<p>1. Obtain supporting evidence that Western Power notified retailers of its initial contact details at least 3 business days before it came into effect</p> <p>2. Enquire whether there have been any changes to Western Power's contact details during the audit scope period. If so, obtain supporting evidence that retailers were notified of these amended contact details at least 3 business days before the change took effect.</p>	<p>1. Western Power electronically notified each retailer of its initial contact details. This obligation was tested in the previous Licence audit in 2008 and Western Power was compliant. Western Power did not change its contact details during the audit period, therefore no further work was performed.</p> <p>2. Western Power did not change its contact details during the audit scope period and there were no new retailers for the audit period. Therefore testing is not applicable.</p> <p><b>Conclusion: Compliant.</b></p>	5
54.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 6.6	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.	Distribution, Transmission	2	Minor	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Web Portal MBS</li> <li>• Functional specifications</li> </ul>	<p>1. Discuss with key personnel and inspect the Build Pack, to obtain an understanding of the process to send and receive electronic communications.</p> <p>2. Identify how Western Power confirms that electronic communications have been sent and received successfully.</p>	<p>1. Obligation tested as part of the 2008 licence audit and was compliant. No changes were made to the Communication Rules or Build Pack during the audit period, therefore no further work performed.</p> <p>2. If electronic communications sent by Western Power are rejected, an automated response alerts Western Power of the failure. Western Power subsequently notifies the retailer or customer to check and update their email address.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
55.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 7.1(1)	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations in good faith.	Distribution, Transmission	NR	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for managing, escalating and resolving disputes.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Select a sample of 25 new disputes that occurred during the audit scope period for testing from CUSREMS reports.  Check that the disputing parties met within 5 business days of a request from another disputing party and attempted to resolve the dispute, by validating against supporting evidence.</li> </ol>	<ol style="list-style-type: none"> <li>1. We performed a walkthrough of Western Power's dispute resolution processes. We noted that processes have been developed in accordance with the requirements of the Metering Code and Code of Conduct.</li> <li>2. Western Power's procedures for dispute resolution are available from the intranet. The procedures have been developed based on the Metering Code Part 8, Customer Transfer Code Part 7 and provided for within the Communication Rules.</li> <li>3. Discussions with management identified that no disputes occurred during the audit scope period, hence nil population for testing.</li> </ol> <p><b>Conclusion: Not rated</b></p>	N/R
56.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 7.1(2)	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith.	Distribution, Transmission	NR	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	<p>Use the same sample of 25 disputes selected for testing under Electricity Compliance Reporting Manual No. 55.</p> <p>Identify disputes that were not resolved within 10 days after the disputing parties met.</p> <p>Check that these disputes were referred to a senior executive officer from each disputing party and resolution was attempted or achieved, by validating against supporting evidence.</p>	<p>Discussions with management identified that no disputes occurred during the audit scope period, hence nil population for testing.</p> <p><b>Conclusion: Not rated.</b></p>	N/R
57.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	Distribution, Transmission	2	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	<p>Select a sample of 25 resolved disputes that occurred during the audit period for testing, from CUSREMS generated reports.</p> <p>Check that the resolution has been documented and signed by the disputing parties by validating against supporting evidence.</p>	<p>Discussions with management identified that no disputes occurred during the audit scope period, hence nil population for testing.</p> <p><b>Conclusion: Not rated.</b></p>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
58.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 7.2(4)	A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details.	Distribution, Transmission	NR	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to refer a dispute to the Authority.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Select a sample of 25 disputes that were referred to the Authority during the audit scope period for testing.  Validate against supporting evidence that the nature of the dispute was provided to the Authority including the: <ol style="list-style-type: none"> <li>a. breach, act, omission or other circumstance forming the basis for the dispute; and</li> <li>b. provision within this Code or other basis for the dispute.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to the process documented under Electricity Compliance Reporting Manual No. 55.</li> <li>2. Western Power's procedures for dispute resolution are available from the intranet. The procedures have been developed based on the Metering Code Part 8, Customer Transfer Code Part 7 and provided for within the Communication Rules.</li> <li>3. Discussions with management identified that no disputes occurred during the audit scope period, hence nil population for testing.</li> </ol> <p><b>Conclusion: Not rated</b></p>	N/R
59.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 7.3(2)	A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code.	Distribution, Transmission	NR	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	<p>Use the same sample of 25 disputes from testing performed under Electricity Compliance Reporting Manual No. 58.</p> <p>Determine whether the disputing party conducted itself in the following manner:</p> <ul style="list-style-type: none"> <li>- with as little formality and technicality;</li> <li>- with as much expedition per the requirements this Code; and</li> <li>- where applicable, a proper hearing and determination of the dispute.</li> </ul>	<p>Discussions with management identified that no disputes occurred during the audit scope period, hence nil population for testing.</p> <p><b>Conclusion: Not rated.</b></p>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
60.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 1	A network operator's request for standing data must require a retailer to provide certain information.	Distribution, Transmission	2	Moderate	Likely	Medium	Strong	2		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place for managing standing data requests and providing such information.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Check that Western Power's standing data form requests for the following information: <ol style="list-style-type: none"> <li>either or both of the name and, if applicable, identification number or code of the retailer submitting the request for standing data; and</li> <li>either- <ol style="list-style-type: none"> <li>if the network operator has not allocated a UMI for the exit point, the contestable customer's: <ul style="list-style-type: none"> <li>lot number and, if applicable, unit number;</li> <li>street number;</li> <li>street; and</li> <li>suburb; or</li> </ul> </li> <li>if the network operator has allocated a UMI for the exit point, the contestable customer's UMI and checksum.</li> </ol> </li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>A walkthrough of the process for managing standing data requests was performed with the assistance of the Market Analyst. Standing data requests are processed through the Metering Service Centre Portal, using the "meter data" function</li> <li>Standing data procedures and validation rules configured in MBS are documented in Western Power's Build Pack and Metering Services Centre (web portal) User Guide</li> <li>Inspected the standing data request form via the Metering Service Centre Portal and validated that the form requests the specified information in compliance with the Code.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
61.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 2	A network operator's request for historical consumption data must require a retailer to provide certain information.	Distribution, Transmission	2	Moderate	Likely	Medium	Strong	2		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place for managing historical consumption data requests and providing such information.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Check that Western Power's historical consumption data form requests for the following information: <ol style="list-style-type: none"> <li>either or both of the name and, if applicable, identification number or code of the retailer submitting the request for historical consumption data; and</li> <li>either- <ol style="list-style-type: none"> <li>if the network operator has not allocated a UMI for the exit point, the contestable customer's: <ol style="list-style-type: none"> <li>name;</li> <li>lot number and, if applicable, unit number;</li> <li>street number;</li> <li>street;</li> <li>suburb; and</li> <li>meter number(s),</li> </ol> or </li> <li>if the network operator has allocated a UMI for the exit point, the contestable customer's UMI and checksum.</li> </ol> </li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>A walkthrough of the process for managing historical consumption data requests was performed with the assistance of the Market Analyst. Historical consumption data requests are processed through the Metering Service Centre Portal, using the "meter history" function.</li> <li>Meter history (i.e. historical consumption) data request procedures and validation rules configured in MBS are documented in Western Power's Build Pack and Metering Services Centre (web portal) User Guide.</li> <li>Inspected the historical consumption data request via the Metering Service Centre Portal and validated that it complies with the requirements of this Code.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
62.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 3	A network operator's customer transfer request form must require a retailer to provide certain information.	Distribution, Transmission	2	Moderate	Likely	Medium	Strong	2		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place for managing customer transfer requests and providing such information.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Check that Western Power's customer transfer form requests for the following information: <ol style="list-style-type: none"> <li>either or both of the name and, if applicable, identification number or code of the retailer submitting the CTR; and</li> <li>either- <ol style="list-style-type: none"> <li>if the network operator has not allocated a UMI for the exit point, the customer's <ol style="list-style-type: none"> <li>name; and</li> <li>lot number and, if</li> </ol> </li> </ol> </li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Walkthrough for the process of managing historical consumption data was performed with the assistance of the Market Analyst. Customer transfer requests are processed through Metering Service Centre Portal, using the "customer transfer" function.</li> <li>Obtained a copy of the Customer Transfer Code and Metering Services Centre User Task Manual.</li> <li>Inspected the Customer Transfer Request form via the Metering Service Centre Portal and validated that the form requests the specified information in compliance with the Code.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
													<ul style="list-style-type: none"> <li>applicable, unit number; and</li> <li>C. street number; and</li> <li>D. street; and</li> <li>E. suburb; and</li> <li>F. meter number(s), or</li> <li>ii. if the network operator has allocated a UMI for the exit point—the contestable customer's UMI and checksum; and</li> <li>c. the reason for the transfer; and</li> <li>d. either or both of the name and, if applicable, identification number or code of the retailer to whom the customer is to be transferred; and</li> <li>e. the nominated transfer date, which must comply with clause 4.7 of this Code; and</li> <li>f. whether a new meter is required to enable transfer, or for any other reason, and if so, a request for the installation of a particular type of suitable meter; and</li> <li>g. estimated annual electricity consumption of the customer; and</li> <li>h. if applicable, details of the incoming retailer's access contract to which the CTR is proposed to relate; and</li> <li>i. if applicable, the proposed network access pricing structure or arrangement to be agreed between the network operator and the retailer to apply for the customer to be transferred.</li> </ul>		

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
63.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 4 clause A4.1	A network operator must provide certain information, if available, to a retailer who submits a request for standing data.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 60.</li> <li>Select a sample of 25 standing data requests received from retailers during the audit scope period for testing.  Check that Western Power provided the following information to the retailer upon receipt of a valid standing data request form: <ol style="list-style-type: none"> <li>UMI and its status (connected or disconnected);</li> <li>full details of the address;</li> <li>sub-station name;</li> <li>distance from sub-station;</li> <li>voltage;</li> <li>distribution loss factor;</li> <li>network tariff description;</li> <li>meter type;</li> <li>meter number(s);</li> <li>last and next scheduled meter read date or day number; and</li> <li>whether a new meter (or communications) is required under the metering code before the contestable customer may transfer.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Refer to Electricity Compliance Reporting Manual No. 60.</li> <li>Sample testing of 25 was not performed because this is an automated process. Therefore, we performed sample testing of 1 for an automated process and validated that the specified standing data information was immediately returned on screen. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
64.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 4 clause A4.2	A network operator must provide certain metering data, if available, in a prescribed manner to a retailer who submits a request for historical consumption data.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<p>Use the same sample of 25 historical consumption data requests selected for testing under Electricity Compliance Reporting Manual No. 21.</p> <p>Check that Western Power provided the following information to the retailer upon receipt of a valid historical consumption data request form:</p> <ol style="list-style-type: none"> <li>if available, metering data for the contestable customer for at least the previous 12 months (but nothing limits the parties' ability to agree to a longer period); and</li> <li>all data must be provided as interval data unless unavailable, in which case accumulation data must be provided; and</li> <li>the type of data which must be provided is dependent on the capabilities of the meter at the exit point (for example, Peak/Off peak kWh, Peak/Off peak kW, All time kWh, kVAh, kVA).</li> </ol>	<p>Automated process, therefore we performed sample testing of 1 meter history request for an automated process. We sighted that meter history data was provided to the retailer the next business day. No exceptions noted.</p> <p><b>Conclusion: Compliant</b></p>	5
65.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 5 clause A5(5)	A network operator must respond to a request from a retailer for a UMI and checksum for an exit point within one business day of receiving a retailer's request.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<p>Select a sample of 25 requests received from retailers for a UMI and checksum for an exit point, during the audit scope period for testing.</p> <p>Check that Western Power responded within 1 business day of receiving the request.</p>	<p>Automated process, therefore we tested a sample of 1 and sighted that the specified information was immediately displayed on screen.</p> <p><b>Conclusion: Compliant</b></p>	5
66.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 5 clause A5(6)	A network operator must provide the most likely matches to the retailer, up to a maximum of 99, if a request does not return a single UMI and checksum.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<p>Use the same sample of 25 requests selected for testing under Electricity Compliance Reporting Manual No. 65.</p> <p>If the request did not return a single UMI and checksum, check that Western Power provided the most likely matches to the retailer, up to a maximum of 99.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 65.</p> <p>Automated process, therefore we tested a sample of 1 and validated that a maximum of 99 results was returned on screen.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
67.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 5 clause A5(7)	A network operator must, unless otherwise advised by the retailer, provide the UMI and checksum for the relevant exit point if a request returns a single UMI and checksum.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Forms have been designed to meet this requirement</li> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<p>Use the sample selected for audit procedures performed for Electricity Compliance Reporting Manual No. 65 above.</p> <p>Check that the UMI and checksum was provided to the retailer where the request returns such information.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 65 and 66.</p> <p>Sample testing performed identified no exceptions.</p> <p><b>Conclusion: Compliant</b></p>	5
68.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)	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.	Distribution, Transmission	NR	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>System Management - Network Operations is responsible for Emergency management, see the following Network Operations procedures: <ul style="list-style-type: none"> <li>The Fault Process (DMS# 4471544)</li> <li>Emergency management plan (DMS# 2072196)</li> <li>Restoration Of Customers (Load) After An UFLS Event (DMS# 3363555)</li> <li>Unplanned Switching programs and schedule (DMS# 2081872)</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place to maintain the information system for electronic communications operating 24 hours a day and 7 days a week.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Select a sample of 2 monthly reports on system availability during the audit scope period for testing. Enquire with key personnel and inspect the reports to determine whether there was any extended period where the system was unavailable (e.g. Western Power server error).</li> </ol>	<ol style="list-style-type: none"> <li>A walkthrough of the process was performed with the Strategist, IT&amp;T Group</li> <li>Obtained a copy of procedures for maintaining electronic communication information systems which are contained within the Backup and Recovery Policy and MBS Disaster Recovery Plan.</li> <li>Sample testing of performed and discussions with IT Strategist Strategy and Architecture identified no incidents of extended system unavailability for the sample of 2 reports selected.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
69.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place to generate an automated response message for each electronic communication received.</li> <li>With the assistance of the key Western Power personnel, go to Western Power's website <a href="http://www.westernpower.com.au">www.westernpower.com.au</a>. Click on the "Contact Us" option then the "Online form" or "Email us" link.</li> </ol> <p>Request the Western Power personnel to enter a dummy enquiry and their email address as the contact method. Check whether an automated response message is received by them in their email mailbox.</p>	<ol style="list-style-type: none"> <li>A walkthrough for the process to generate an automated response method was performed with the assistance of the Market Analyst.</li> <li>With the assistance of the Market Analyst, we entered a test enquiry using the online form on the Western Power website and noted that an automated response message was received acknowledging the enquiry and response time.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
70.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.6	The originator of an electronic communication must identify itself in the communication.	Distribution, Transmission	NR	Minor	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Discuss with key personnel, the processes and controls in place to include the sender's name and email contact address with electronic communications that are sent by Western Power.</li> <li>2. Select a sample of 25 emails sent by Western Power personnel to retailers during the audit scope for testing.</li> </ol> <p>Check whether the sender's name and email address was provided in the email.</p>	<ol style="list-style-type: none"> <li>1. Through discussions with the Market Analyst it was noted that the sender's name and email contact address is included in the sender's email signature.</li> <li>2. Sample testing performed of 25 emails validate that the sender's name and email address is provided in the email. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
71.	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.7	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.	Distribution, Transmission	NR	Minor	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Discuss with key personnel, the processes and controls in place to adopt a consistent data format for information sent via electronic communication.</li> <li>2. Obtain supporting evidence that a template or standard format for provided information has been developed and is used for electronic communication.</li> </ol>	<ol style="list-style-type: none"> <li>1. The process was discussed with the Account Manager and the Market Analyst.</li> <li>2. We observed that data sent via email to retailers by the Market Analyst followed a consistent format that was concise and easy to read.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
81.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 13(1)	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	Distribution, Transmission	NR	Moderate	Unlikely	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Appointment and ERA approval of Ernst &amp; Young.</li> <li>• Manager Compliance has been assigned responsibility for coordinating the performance audit.</li> </ul>	<ol style="list-style-type: none"> <li>1. Obtain supporting evidence of the Authority's approval for Ernst &amp; Young to conduct the 2008 and 2009 performance audits.</li> <li>2. Obtain a copy of the 2008 performance audit report as evidence that the performance audit was performed, completed and reported to the Authority.</li> </ol>	<ol style="list-style-type: none"> <li>1. Obtained a copy of the Authority's letter dated 23 July 2009, approving Ernst &amp; Young to conduct the Licence performance audit for the audit period 1 April 2008 to 31 October 2009.</li> <li>2. We obtained a copy of 2008 performance audit report from the Authority's website.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
82.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 14(1)(a)	A licensee must provide for an asset management system.	Distribution, Transmission	NR	Moderate	Likely	High	Weak	1	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>Asset Management System.</li> <li>PAS-55 (UK) standards</li> <li>Asset Management System policy and procedures.</li> <li>Performance reporting.</li> <li>Asset Management System audit</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place to provide for, maintain, manage and monitor the asset management system.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Verify whether the: <ol style="list-style-type: none"> <li>breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>Enquire whether the asset management system commenced or generating works constructed during the audit scope period.  If so, validate against supporting evidence that the Authority was notified within 2 business days from:: <ul style="list-style-type: none"> <li>commencement date; or</li> <li>the completion of construction of the generating works whichever is later.</li> </ul> </li> <li>Obtain and inspect a copy of reports on the asset management system and its performance.</li> </ol>	<ol style="list-style-type: none"> <li>Walkthrough of the process to provide for, maintain, manage and monitor the asset management system was performed with the Asset Business Systems Manager.</li> <li>We obtained a copy of the Asset Management Policy, Distribution Asset Management Plan and Transmission Asset Management Plan.</li> <li>The breach from the 2008 performance audit has been corrected and recommendations implemented. We noted that Western Power is progressing with the resolution actions from the 2008 Asset Management System audit which are managed and tracked by the Asset Business Systems Manager.</li> <li>The asset management system did not commence during the audit scope period. Therefore testing is not required.</li> <li>Obtained and inspected the monthly KPI Report and noted that it reports on the asset management system's performance.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
83.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 14(1)(b)	A licensee must notify details of the asset management system and any substantial changes to it to the Authority.	Distribution, Transmission	2	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>Asset Management System</li> <li>PAS-55 (UK) standards</li> <li>Asset Management System policy and procedures</li> <li>Performance reporting</li> <li>Asset Management System audit</li> </ul>	Enquire whether any substantial changes to the asset management system have occurred during the audit scope period. If so, obtain or sight the notice provided to the Authority notifying them of the change(s).	Through discussions with the Asset Business Systems Manager, we noted that no substantial changes were made to the asset management system during the audit period.  <b>Conclusion: Not rated</b>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
84.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 14(1)(c)	A licensee must provide the Authority with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the Authority.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Asset Management System</li> <li>PAS-55 (UK) standards</li> <li>Asset Management System policy and procedures</li> <li>Performance reporting</li> <li>Asset Management System audit</li> <li>Appointment of Lloyds Register (UK) as the external auditors for the asset management system review.</li> <li>Asset Investment and Risk Manager has been assigned responsibility for coordinating the performance audit.</li> </ul>	<ol style="list-style-type: none"> <li>Obtain supporting evidence of the Authority's approval of the independent expert, to conduct the 2008 and 2009 asset management performance audits.</li> <li>Obtain a copy of the 2008 asset management system performance audit report as evidence that the performance audit was performed, completed and reported to the Authority.</li> </ol>	<ol style="list-style-type: none"> <li>Obtained a copy of the Authority's letter dated 24 July 2009, approving Lloyd's Register to perform Western Power's asset management effectiveness review for the audit period 1 April 2008 to 31 October 2009.</li> <li>Obtained a copy of Western Power's 2008 asset management system report by Lloyd's Register from the Authority's website.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
85.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 17(1)	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	Distribution, Transmission	NR	Minor	Likely	Medium	Weak	3	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>Register of fees</li> <li>Responsible person assigned to manage fee payments</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place for managing the payment of the licence fee.</li> <li>Verify whether the: <ol style="list-style-type: none"> <li>breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>Obtain supporting evidence that the 2008 and 2009 licence fee was paid to the Authority within 1 month after the anniversary date of grant or renewal of the licence.</li> </ol>	<ol style="list-style-type: none"> <li>A walkthrough was performed for the process of managing the payment of the licence fee with the assistance of the Assistant to General Manager Strategy and Corporate Affairs.</li> <li>The breach from the 2008 performance audit has not been corrected.</li> <li>The recommendation to have automatic reminders set in the corporate email and calendar system (Lotus Notes) has not been implemented.</li> <li>The 2008 Licence fee was paid on 27 May 2008, exceeding the prescribed timeframe of 1 month after the anniversary date of the Licence. Exception noted.</li> </ol> <p>We noted that this breach occurred before the 2008 Performance Audit report was issued to Western Power, hence management did not have the opportunity to correct the breach. Western Power paid its 2009 Licence fee within the prescribed timeframe.</p> <p><b>Conclusion: Non compliant</b></p>	2

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
86.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 31(3)	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	Distribution, Transmission	NR	Major	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• System Management Network Operations is responsible for Emergency management</li> <li>• The Fault Process (DMS# 4471544)</li> <li>• Emergency management plan (DMS# 2072196)</li> <li>• Restoration Of Customers (Load) After An UFLS Event (DMS# 3363555)</li> <li>• Unplanned Switching programs and schedule (DMS# 2081872)</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to maintain continuous electricity supply to customers and the management of planned and unplanned outages.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Select a sample of 2 monthly reports for unplanned outages during the audit scope period for testing. <ol style="list-style-type: none"> <li>a. Check whether extended periods of unplanned outages were due to an accident, emergency, potential danger or other unavoidable cause.</li> <li>b. If not, enquire with key personnel, the reasons for the extended unplanned outage and determine whether Western Power took any action to minimise the extent or duration of the interruption.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. A walkthrough was performed with the Operational Standards &amp; Development Manager.</li> <li>2. We obtained a copy of the Unplanned Switching Program/Schedule, Fault Process (unplanned interruptions), Incident Management Process and Program Writers Sensitive Customers Check.</li> <li>3. Unplanned interruptions are reported in the Annual Performance Report as part of Western Power's annual reporting obligations to the Authority and not on a monthly basis.  Therefore we obtained a copy of the 2008 and 2009 Annual Performance Report for sample testing. We inspected and discussed the reports with the Operational Standards. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
87.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Schedule of all land ownership</li> <li>• Annual tax and rates schedule</li> <li>• Register of fees</li> <li>• Responsible person assigned to manage fee payments</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for managing payments for interests in land or easements over land.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Obtain the list of all interests in land or easements over land for the audit scope period and select a sample of 25 for testing.</li> </ol> <p>For each interest or easement, obtain a copy of the invoice or other supporting evidence that costs have been paid within the payment terms.</p>	<ol style="list-style-type: none"> <li>1. A walkthrough was performed with the Property Officer.  Western Power sends written communication to the landowner that they will be building a power line. Landowners may raise any concerns with Western Power, who will try to accommodate the concerns or requests. Western Power works with landowners to determine the most suitable line route.  Western Power determines the nature of the structure, electricity supply, designs the plan and passes the information to Western Power's valuation team to survey the area and value the compensation amount. Landgate calculates the compensation to determine whether Western Power's valuation is fair.  Western Power prepares the easement document using the standard template, provides a copy of the plan and valuation to the landowner, negotiates and agrees the compensation with the landowner.  The Corporate Real Estate team prepares the documents for payment and makes the compensation payment to the landowner. The Conveyancing team is responsible for monitoring and confirming that payments have been made.</li> <li>2. Sighted the Ellipse User Guide Accounts Payable Procedures.</li> <li>3. Sample testing performed identified that Western Power paid its land tax by the due date for 2008. As at 13 November 2009, Western Power had not received its 2009 Land Tax Assessment. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
90.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 62(1)(b)	Electricity Networks Corporation and Regional Power Corporation must comply with a direction given by the Coordinator in relation to a draft extension and expansion policy.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Extension and Expansion Policy</li> <li>Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Coordinator</li> <li>Extension and expansion policy review process</li> </ul>	<p>Enquire whether the Coordinator has given any direction regarding the draft extension and expansion policy during the audit scope period.</p> <p>If so, check that the direction was addressed and a response was provided to the Coordinator within the specified timeframe.</p>	<p>Western Power did not receive any directions from the Coordinator during the audit scope period, regarding the extension and expansion policy. Therefore no testing performed.</p> <p><b>Conclusion: Not rated</b></p>	N/R
91.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 64(2)	Electricity Networks Corporation and Regional Power Corporation must comply with a direction given by the Coordinator in relation to an amendment to an extension and expansion policy.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Extension and Expansion Policy</li> <li>Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Coordinator</li> <li>Extension and expansion policy review process</li> </ul>	<p>Enquire whether the Coordinator has given any direction to amend the extension and expansion policy, during the audit scope period.</p> <p>If so, check that the direction was addressed and an amendment was submitted to the Coordinator within the specified timeframe.</p>	<p>Western Power did not receive any direction from the Coordinator to amend its extension and expansion policy. Therefore no testing was performed.</p> <p><b>Conclusion: Not rated</b></p>	N/R
92.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 65(d)	Electricity Networks Corporation and Regional Power Corporation must implement arrangements set out in an approved extension and expansion policy.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Extension and Expansion Policy</li> <li>Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Coordinator</li> <li>Extension and expansion policy review process</li> </ul>	<p>Discuss with key personnel, arrangements set out in the approved extension and expansion policy. Determine whether:</p> <ol style="list-style-type: none"> <li>timeframes have been set</li> <li>reporting against timeframes occur</li> <li>arrangements are being achieved</li> </ol>	<p>Discussed the process with the Open Access Engineer. Amendments to the Electricity Networks Access Code 2004 of 29 June and 29 August 2007 have made the previously approved Extension and Expansion Policy redundant. The Code has been approved by the Authority and the Minister for Energy, certifying compliance with this obligation.</p> <p>Discussions with management noted that the Authority has issued its initial decision to the proposed Access Code changes and Western Power has not been informed of any objections. At the time of the audit, Western Power was awaiting the Authority's final decision.</p> <p><b>Conclusion: Not applicable</b></p>	N/A

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
95.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Act section 115(1)	A licensee that is a network service provider or an associate of a network service provider, in relation to network infrastructure covered by the Code, must not engage in conduct for the purpose of hindering or prohibiting access by any person to services in accordance with the Code, the making of access agreements or any particular agreement in respect of those facilities, or the access to which a person is entitled under an access agreement or a determination made by way of arbitration.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Access arrangements</li> <li>Applications and Queuing Policy</li> <li>Transfer and Relocation Policy</li> <li>Capital Contributions Policy</li> <li>Standard Access Contract: Electricity Transfer Access Contract</li> <li>Quarterly Compliance Report to Finance and Risk Committee</li> </ul>	<ol style="list-style-type: none"> <li>Discuss with key personnel, the processes and controls in place for the access arrangement and managing, monitoring and reporting compliance with its requirements.</li> <li>Enquire whether there Western Power received any complaints in relation to access arrangements.  If so, select a sample of 25 complaints and discuss the resolution of these complaints and whether these resolutions indicate a breach of the access arrangement.</li> </ol>	<ol style="list-style-type: none"> <li>Discussed with the Operational Standards and Development Manager the process for access arrangement and managing, monitoring and reporting compliance.</li> <li>Western Power did not receive any complaints during the audit period in relation to distribution or transmission access arrangements. Therefore nil population to test.  <b>Conclusion: Not rated</b></li> </ol>	N/R
96.	Transmission Licence condition 5.1	Electricity Industry Act section 115(2)	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access.	Transmission	2								Not applicable. Western Power is covered under section 115 (1) (see obligation ref. 95 above) and therefore section 115(2) is not applicable.	Not applicable. Western Power is covered under section 115 (1) (see obligation ref. 95 above) and therefore section 115(2) is not applicable.  <b>Conclusion: Not applicable</b>	N/A

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
103.	Electricity Industry Act section 11	Distribution Licence condition 15.5 Transmission Licence condition 12.5	A licensee must amend the asset management system before an expansion or reduction in generating works, distribution systems and transmission systems and notify the Authority in the manner prescribed, if the expansion or reduction is not provided for in the asset management system.	Distribution, Transmission	2	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Extension and Expansion Policy</li> <li>• Asset Management System</li> <li>• Asset Management System policy and procedures</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for amending the asset management system and expanding or reducing the distribution and transmission systems.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Enquire whether there were any expansions or reductions to the distribution and transmission systems during the audit scope period and whether the expansion or reduction was provided for in the asset management system.</li> </ol> <p>Select a sample of 2 expansions or reductions and test whether:</p> <ol style="list-style-type: none"> <li>a. the expansion or reduction was provided for in the asset management system within Western Power's Licence area; and</li> <li>b. the asset management system was amended and approved by the Authority within 10 business days, where the expansion or reduction has not been provided for in the asset management system</li> <li>c. confirm that the expansion occurred within the licence area</li> </ol>	<ol style="list-style-type: none"> <li>1. A walkthrough of the process for amending the asset management system was performed with the Asset Manager, Transmission Planning Manager and Country Regional Planning Manager.</li> <li>2. Obtained a copy of the Metro &amp; Country Regional Planning &amp; Development Processes, Transmission and Distribution Annual Planning Report and Bulk Transmission Network Strategic Directions 2007 - 2020.</li> <li>3. Sample testing performed identified no exceptions.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
104.	Electricity Industry Act section 11	Distribution Licence condition 15.6 Transmission Licence condition 12.6	A licensee must not expand the generating works, distribution systems or transmission systems outside the licence area.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Extension and Expansion Policy</li> <li>• Asset Management System</li> <li>• Asset Management System policy and procedures</li> </ul>	Refer to audit procedures performed under Electricity Compliance Reporting Manual No. 103.	Refer to test results from Electricity Compliance Reporting Manual No. 103.	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
105.	Electricity Industry Act section 11	Distribution Licence condition 16.1 Transmission Licence condition 13.1	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.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2	Improvement opportunity - 2008 Performance Audit	<ul style="list-style-type: none"> <li>Annual audited financial statements</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place for maintaining accounting records.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Verify whether the improvement recommendation and post-audit implementation plan actions have been implemented.</li> <li>Obtain a copy of the financial statements and annual report for the financial years ending 30 June 2008 and 30 June 2009. <ul style="list-style-type: none"> <li>Check whether the financial statements have been prepared in accordance with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.</li> <li>Obtain supporting evidence that the financial statements and annual reports have been signed off and approved by the Board and the Auditor General.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>Walkthrough was performed with the Group Accountant.</li> <li>Accounting and financial reporting policies and procedures have been documented for various types of transactions and accounts. We obtained a copy of the Revenue, Property Plant and Equipment, Leases, Taxation and Goods &amp; Services Tax policies as supporting evidence.</li> <li>The improvement recommendation made in the 2008 Licence performance audit report has been implemented. Documented procedures exist for accounting and financial reporting processes which include references to the applicable Australian accounting standards.</li> <li>Financial statements for FY08 and FY09 were obtained. They have both been prepared in accordance with AASB and signed off by the Auditor General.</li> </ol> <p><b>Conclusion: Compliant.</b></p>	5
106.	Electricity Industry Act section 11	Distribution Licence condition 17.4 Transmission Licence condition 14.4	A licensee must comply with any individual performance standards prescribed by the Authority.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place for complying with individual performance standards.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Enquire whether the Authority has prescribed any individual performance standards to Western Power. <ul style="list-style-type: none"> <li>If so, select a sample of 25 performance standards for testing. <ul style="list-style-type: none"> <li>Check whether Western Power complied with their performance standards during the audit scope period.</li> <li>Where performance standards were not met, check that the non-compliance was reported and obtain evidence of action taken.</li> </ul> </li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>The Authority has not prescribed any individual performance standards to Western Power.</li> <li>The Authority has not prescribed any individual performance standards to Western Power.</li> <li>The Authority has not prescribed any individual performance standards to Western Power, therefore nil population to test.</li> </ol> <p><b>Conclusion: Not applicable</b></p>	N/A

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
107.	Electricity Industry Act section 11	Distribution Licence condition 18.2 Transmission Licence condition 15.2	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Appointment and ERA approval of Ernst &amp; Young as auditors for the performance audit.</li> <li>Performance Audit - Audit Plan and Audit Program approved by the Authority</li> </ul>	<ol style="list-style-type: none"> <li>Inspect the 2008 performance audit report to check that it was approved by the Authority and prepared in accordance with the Authority's Audit Guidelines Electricity, Gas and Water Licences.</li> <li>Obtain supporting evidence to determine whether the 2009 performance audit is being performed in accordance with the Authority's audit guidelines.</li> </ol>	<ol style="list-style-type: none"> <li>The 2008 Performance Audit Report was approved by the Authority and states that the report was prepared in accordance with the Authority's Audit Guidelines Electricity, Gas and Water Licences.</li> <li>The 2009 Audit Plan states that the 2009 Distribution and Transmission Licence performance audits will be performed in accordance with the Authority's new Audit Guidelines Electricity, Gas and Water Licences July 2009. The audit plan was approved by the Authority on 17 September 2009.</li> </ol>	5
<b>Conclusion: Compliant</b>															
108.	Electricity Industry Act section 11	Distribution Licence condition 19.4 Transmission Licence condition 16.4	A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the Authority's standard guidelines dealing with the asset management system.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Asset Management System Performance Audit Plan and Audit Program</li> </ul>	<ol style="list-style-type: none"> <li>Inspect the 2008 asset management report to check that it was prepared in accordance with the Authority's applicable standard guidelines.</li> <li>Obtain supporting evidence to determine whether the 2009 asset management performance audit is being performed in accordance with the Authority's audit guidelines.</li> </ol>	<ol style="list-style-type: none"> <li>The 2008 Asset Management System Review Report was approved by the Authority and prepared in accordance with the Authority's Audit Guidelines Electricity, Gas and Water Licences.</li> <li>The 2009 Asset Management System Audit Plan states that the performance audit will be performed in accordance with the Authority's Audit Guidelines Electricity, Gas and Water Licences.</li> </ol>	5
<b>Conclusion: Compliant</b>															

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
109.	Electricity Industry Act section 11	Distribution Licence condition 20.1 Transmission Licence condition 17.1	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.	Distribution, Transmission	2	Major	Probable	High	Moderate	2	Improvement opportunity - 2008 Performance Audit	<ul style="list-style-type: none"> <li>Quarterly Compliance Report to Finance and Risk Committee</li> <li>Annual performance report</li> <li>Annual audited financial statements</li> <li>Monthly financial reporting</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place to monitor Western Power's ongoing financial viability.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Verify whether the improvement recommendation and post-audit implementation plan actions have been implemented.</li> <li>Enquire whether Western Power is under external administration or whether there has been a significant change that affected its ability to meet its licence obligations.</li> <li>Select a sample of 4 Treasury Management Committee and 4 Finance and Risk Committee meeting minutes during the audit scope period for testing.  Inspect the meeting minutes and determine whether any significant changes occurred during the audit scope period that affected Western Power's financial viability. If so, obtain supporting evidence that the event was reported to the Authority in writing.</li> <li>Examine the 2008 and 2009 financial statements to determine whether they included any commentary on solvency.</li> </ol>	<ol style="list-style-type: none"> <li>A walkthrough of the process was performed with the Manager Compliance.</li> <li>A copy of the Quarterly Compliance Reports for the audit period was obtained.</li> <li>The recommendation from the 2008 Licence performance audit reports has been implemented. Western Power discusses the financial position of the business at its monthly and quarterly meetings.  Discussions cover the risk of external administration or significant changes to its corporate, financial or technical circumstances. Any significant changes that may put Western Power at risk of going into administration are escalated to the relevant managers. Meeting minutes are documented and retained by the Legal and Governance team assistants</li> <li>Discussions with management noted that Western Power is not under external administration.</li> <li>Sample testing of meeting minutes identified no significant business changes which affected Western Power's financial viability during the audit period.</li> <li>The 2008 and 2009 financial statements did not include commentary on solvency</li> </ol>	5

**Conclusion: Compliant**

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
110.	Electricity Industry Act section 11	Distribution Licence condition 21.1 Transmission Licence condition 18.1	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.	Distribution, Transmission	2	Moderate	Likely	Medium	Strong	2	Improvement opportunity - 2008 Performance Audit	<ul style="list-style-type: none"> <li>Metering Business System (MBS)</li> <li>Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Authority.</li> </ul>	<ol style="list-style-type: none"> <li>Discuss with key personnel, the processes and controls in place to manage notices and directions received from the Authority.</li> <li>Verify whether the improvement recommendation and post-audit implementation plan actions have been implemented.</li> <li>Enquire whether any request for information was received from the Authority during the audit scope period.  If so, select a sample of 25 requests for testing and check whether the information was provided in the specified format (per the request) and in a timely manner to the Authority.</li> </ol>	<ol style="list-style-type: none"> <li>The processes and controls in place to manage notices and directions received from the ERA were discussed with the Manager Compliance.</li> <li>The recommendation and post-audit implementation action plan has been implemented. A register of all notices received from the Authority and all correspondence with the Authority is recorded and maintained by the Manager Compliance.</li> <li>Sample testing of notices received from the Authority identified that Western Power responded in the prescribed format within the prescribed timeframe. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
111.	Electricity Industry Act section 11	Distribution Licence condition 22.2 Transmission Licence condition 19.2	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.	Distribution, Transmission	2	Minor	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Authority.</li> </ul>	<ol style="list-style-type: none"> <li>Refer to audit procedure 1 performed under Electricity Compliance Reporting Manual No. 110.</li> <li>Enquire whether any direction to publish information was received from the Authority during the audit scope period for testing.  If so, select a sample of 25 directions received from the Authority to publish information, during the audit scope period for testing. Check that: <ol style="list-style-type: none"> <li>for non-confidential information, it was published in a timely manner and in the required specified form; and</li> <li>for confidential information, the Authority was notified in a timely manner or within the specified timeframe..</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Refer to Electricity Compliance Reporting Manual No. 110.</li> <li>Sample testing performed identified that: <ol style="list-style-type: none"> <li>1 non-confidential direction was published in a timely manner and in the correct specified form, as required by the Authority; and</li> <li>3 confidential directions were received. The Authority was notified in a timely manner for all directions sampled.</li> </ol> </li> </ol> <p><b>Conclusion: Compliant</b></p>	5
112.	Electricity Industry Act section 11	Distribution Licence condition 23.1 Transmission Licence condition 20.1	Unless otherwise specified, all notices must be in writing.	Distribution, Transmission	2	Minor	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Authority.</li> <li>Communication rules.</li> </ul>	<ol style="list-style-type: none"> <li>Refer to audit procedure 1 performed under Electricity Compliance Reporting Manual No. 110.</li> <li>Select a sample of 25 notices issued by the Authority during the audit scope period for testing.  Obtain supporting evidence that notices issued and Western Power's response is in writing.</li> </ol>	<ol style="list-style-type: none"> <li>Refer to Electricity Compliance Reporting Manual No. 110.</li> <li>Evidence that Western Power responded to the Authority in writing was sighted for all sampled notices.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating	
300.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 2.2(1)(a)	A network operator must treat all Code participants that are its associates on an arms-length basis.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Retail Account Managers and customer facing staff are coached to treat retailers on arms length basis.</li> <li>• Account Management Principles, DMS# 4394639.</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 1.	Refer to Electricity Compliance Reporting Manual No. 1.  Through discussions with the Account Manager, Customer Solutions Branch, none of the Code Participants are an associate of Western Power.  <b>Conclusion: Compliant</b>	5	
301.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 2.2(1)(b)	A network operator must ensure that no Code participant that is its associate receives a benefit in respect of the Code unless the benefit is attributable to an arm's length application of the Code or is also made available to all other Code participants on the same terms and conditions.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Retail Account Managers and customer facing staff are coached to treat retailers on arms length basis.</li> <li>• Account Management Principles, DMS# 4394639.</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 2.	Refer to Electricity Compliance Reporting Manual No. 2.  Through discussions with the Account Manager, Customer Solutions Branch, none of the Code Participants are an associate of Western Power.  <b>Conclusion: Compliant</b>	5	
302.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.1	A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and also comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> <li>• Post commissioning audit process</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls to ensure that meters meet the requirements specified in the metrology procedure and other applicable guidelines under the National Measurement Act.</li> <li>2. Walkthrough the processes and controls in relation to meters including: <ul style="list-style-type: none"> <li>- connection application, design, quote and approval installation</li> <li>- testing and calibration</li> <li>- security</li> <li>- management of meters</li> <li>- outages and malfunction repairs and maintenance</li> <li>- compensation (adjustments) carried out on meters</li> <li>- monitoring and reporting of meter availability and performance</li> <li>- collection of metering data</li> <li>- provision of electricity under regulated and non-regulated contracts to a contestable customer charges</li> </ul> </li> <li>3. Obtain a copy of documented policies, procedures, metering management plan and other relevant supporting documentation.</li> <li>4. Obtain evidence of an independent accreditation or certification which validates that Western Power's</li> </ol>	<ol style="list-style-type: none"> <li>1. The National Association of Testing Authorities (NATA) Australia accreditation is performed annually and includes checking technical compliance with ISO/IEC 17025. The NATA accreditation certificate validates that Western Power's meters comply with the applicable guidelines under the National Measurement Act and have been built in accordance with the Metrology Procedures specifications and comply with the required accuracy requirements.</li> <li>2. Walkthroughs were performed with the Metering Data Manager, Metering Provision Manager and Metering Strategist for each of the processes specified.</li> <li>3. Obtained a copy of the Metering Management Plan, Metering Requirements in the Metering Manual and the Inspection System Plan.</li> <li>4. The NATA Scope of Accreditation certifies that Western Power's meters comply with the requirements specified under the Metrology Procedures and the National Measurement Act.</li> </ol>	Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption	2

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
													<p>meters comply with the requirements specified under the metrology procedure and the National Measurement Act.</p> <p>5. Select a sample of 2 metering reports to determine whether they capture information in relation to compliant and non-compliant meters, key performance data for each type of meter and its availability for the reporting period.</p> <p>6. Choose a sample of 25 charges imposed in relation to metrology procedures and confirm they were raised in accordance with a service level agreement</p>	<p>within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant. Western Power did not notify the Authority of the above non-compliant meters, which is a requirement of this obligation.</p> <p>5. Based on discussions with the Metering Strategist, we noted that metering reports do not provide information regarding compliant and non compliant meters. However the Metering Data Manager advised that calibration test certificates are received from the meter provider (Landis &amp; Gyr) upon receipt of the meter, which certify conformance with Australian standards.</p> <p>6. Sample testing performed identified that all charges imposed on the Code Participant were in accordance with the relevant service level agreement. No exceptions noted.</p> <p><b>Conclusion: Non-compliant</b></p>	
303.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.2(1)	An accumulation meter must at least conform to the requirements specified in the applicable metrology procedure and display, or permit access to a display of, the accumulated electricity production or consumption at the metering point in the manner prescribed.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>An annual audit is performed by NATA and an accreditation certificate is issued to Western Power verifying that its meters comply with the Metrology Procedures and National Measurement Act.</p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant which is unrelated to this obligation. Therefore Western Power complies with this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
304.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.3(1)	An interval meter must at least have an interface to allow the interval energy data to be downloaded in the manner prescribed using an interface compatible with the requirements specified in the applicable metrology procedure.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>An annual audit is performed by NATA and an accreditation certificate is issued to Western Power verifying that its meters comply with the Metrology Procedures and National Measurement Act.</p> <p><b>Conclusion: Compliant</b></p>	5
305.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.3(3)	If a metering installation is required to include a communications link, the link must (where necessary), include a modem and isolation device approved under the relevant telecommunications regulations, to allow the interval energy data to be downloaded in the manner prescribed.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>An annual audit is performed by NATA and an accreditation certificate is issued to Western Power verifying that its meters comply with the Metrology Procedures and National Measurement Act</p> <p>Only AUSTEL (the Australian telecommunications regulatory body) approved devices are purchased by Western Power. These devices are built according to Code specifications and meet Australian standards which have been certified by NATA. Therefore Western Power's communications link meets the specified requirements.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
306.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.5(1) and (2)	A network operator must ensure that there is a metering installation at every connection point on its network which is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Discussions with the Metering Data Manager and inspection of the list of Type 1-6 connection points via MBS noted that all have a connection point.</p> <p><b>Conclusion: Compliant</b></p>	5
307.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.5(3)	A network operator must, for each metering installation on its network, on and from the time of its connection to the network, provide, install, operate and maintain the metering installation in the manner prescribed (unless otherwise agreed).	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>An annual audit is performed by NATA and an accreditation certificate is issued to Western Power verifying that its meters comply with the Metrology Procedures and National Measurement Act.</p> <p>Western Power maintains a system of inspection to ensure that customers' electrical installations and the equipment connected to such installations are safe for connection and use.</p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant.</p> <p><b>Conclusion: Non-compliant</b></p>	2

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
308.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.5(4)	A network operator must ensure that, except for a Type 7 metering installation, the metering point for a revenue metering installation is located as close as practicable to the connection point in accordance with good electricity industry practice.	Distribution, Transmission	2	Major	Probable	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Western Power connects metering installation in accordance with the WA Electrical Requirements (WAER) which specifies the wiring requirements.</p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant which is unrelated to this obligation. Therefore Western Power complies with this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5
309.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.5(6)	A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.</li> <li>2. Select a sample of 25 charges imposed on users for the provision, installation, operation or maintenance of a metering installation, during the audit scope period for testing.</li> </ol> <p>Check whether the charges are appropriate by validating to the service level agreement for each user.</p>	<ol style="list-style-type: none"> <li>1. Refer to test results from Electricity Compliance Reporting Manual No. 302.</li> <li>2. Sample testing performed identified that all charges imposed on the Code Participant was in accordance with the applicable service level agreement.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
310.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.5(9)	If a network operator becomes aware that a metering installation does not comply with the Code, the network operator must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	<p>3. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302 above.</p> <p>4. Select a sample of 25 meters that were non-compliant during the audit scope period for testing. Check to supporting documentation that:</p> <p>a. Western Power advised the affected parties of the non-compliance (e.g. retailer, customer) by validating supporting evidence.</p> <p>b. arrangements to correct the non-compliance were made in a timely manner.</p>	<p>1. Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>2. Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant.</p> <p>Western Power did not notify the Authority of the above non-compliant meters as required by this obligation.</p> <p><b>Conclusion: Non-compliant</b></p>	2
311.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.7	All devices that may be connected to a telecommunications network must be compatible with the telecommunications network and comply with all applicable State and Commonwealth enactments.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>An annual audit is performed by NATA and an accreditation certificate is issued to Western Power verifying that its meters comply with the Metrology Procedures and National Measurement Act. (Refer 302.5)</p> <p>Only AUSTEL (the Australian telecommunications regulatory body) approved devices are purchased by Western Power. These devices are built according to Code specifications and meet Australian standards which have been certified by NATA. Therefore Western Power's communications link meets the specified requirements.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
312.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.8	A network operator must, for each metering installation on its network, ensure that the metering installation is secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorized access and enable unauthorized access to be detected.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>All Western Power meters have either a plastic or copper approved type seal fitted when the meter is installed. The meter body is sealed by the manufacturer prior to supply to Western Power. Certificates are provided with the meters by the supplier Landis and Gyr, certifying that meters are compliant.</p> <p>For larger customers metering installations are secured inside lockable meter boxes. The sample we selected for testing were large commercial properties with locked meter boxes.</p> <p>Seals are checked where Western Power performs any work on an existing meter installation. Where Western Power becomes aware of a metering installation that is not sealed, the meter will be tested and sealed. This can include instances where WA Police notifies Western Power of suspected meter tampering or where regular meter readings show a dramatic drop in consumption.</p> <p><b>Conclusion: Compliant</b></p>	5
313.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.9(3)	Each metering installation must meet at least the requirements for that type of metering installation specified in Table 3 in Appendix 1 of the Code.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>An annual audit is performed by NATA and an accreditation certificate is issued to Western Power verifying that its meters comply with the Metrology Procedures and National Measurement Act.</p> <p>Table 3 Appendix 1 of the Code serves as a guide and specifies the minimum requirements when installing and designing the type of metering installation. If the accuracy of any components (meter, CT or VT) fails during compliance testings, the obligation falls under the Metrology Procedure and Metering Management Plan and not under this section of the Metering Code. Therefore Western Power complies with this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
314.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.9(7)	For a metering installation used to supply a customer with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, the metering installation must meet the relevant accuracy requirements of Type 3 metering installation for active energy only.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Calibration test certificates are issued by the meter provider (Landis &amp; Gyr) upon receipt of the meter, which certifies conformance with Australian standards.</p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant which is unrelated to this obligation. Therefore Western Power complies with this obligation.</p> <p>This obligation relates to Type 1, 2 and 3 metering installations which require voltage transformers (VTs). The 320,000 non compliant meters identified are direct connect meters that are directly connected to 240 volts supply and are not high voltage meters requiring VTs. Therefore Western Power complies with this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5
315.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.9(9)	If compensation is carried out within the meter then the resultant metering system error must be as close as practicable to zero.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Western Power does not perform compensation (adjustments) on its meters.</p> <p><b>Conclusion: Not rated</b></p>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
316.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.10	A network operator must ensure that any programmable settings within any of its metering installations, data loggers or peripheral devices, that may affect the resolution of displayed or stored data, meet the relevant requirements specified in the applicable metrology procedure and comply with any applicable specifications or guidelines specified by the National Measurement Institute under the National Measurement Act.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>NATA Scope of Accreditation certifies that Western Power's meters comply with the requirements specified under the Metrology Procedures and the National Measurement Act.</p> <p><b>Conclusion: Compliant</b></p>	5
317.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.11(1)	A network operator must ensure that a metering installation on its network permits collection of data within the timeframes and to the level of availability specified.	Distribution, Transmission	2	Major	Likely	High	Weak	1		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302 above.</li> <li>2. Select a sample of 4 monthly performance reports generated from the Metering Business System.</li> </ol> <p>Check that it provides information about the data collected from meters, meter performance and availability of at least 95% per annum and report of any loss in availability.</p>	<ol style="list-style-type: none"> <li>1. Refer to test results from Electricity Compliance Reporting Manual No. 302.</li> <li>2. Sample testing performed identified that. Western Power reported less than 95% availability from April 2008 to January 2009. Non compliance noted.</li> </ol> <p>Western Power did not achieve the minimum required availability level of 95% throughout the audit period. This was caused by poor availability results reported in February 2008 as a result of significant contractor resourcing issues (25% staff turnover in January 2008), resulting with wholesale service failure.</p> <p>Western Power intervened to resolve the availability issue and assisted with the recovery plan during February 2009. This enabled the schedule to be corrected by March 2009 and regular updates were provided to retailers throughout the process.</p> <p><b>Conclusion: Non compliant</b></p>	2

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
318.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.11(2)	A network operator must make repairs to the metering installation in accordance with the applicable service level agreement if an outage or malfunction occurs to a metering installation.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Western Power does not perform repairs on its meters and faulty meters are replaced with a new meter.</p> <p><b>Conclusion: Compliant</b></p>	5
319.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Customers contact their retailer to provide notification of any defective meters or meters requiring maintenance. The retailer will submit a service order to Western Power via the Metering Business System. Subsequently, Western Power will send a technician to the customer's premises to investigate the meter.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
320.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.12(1)	A network operator must ensure that each metering installation complies with, at least, the prescribed design requirements.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Post commissioning audit process</li> <li>• Test Certificate evaluation</li> <li>• WAER - meter fuses or service protective devices</li> <li>• Corporate Filing System in place (DMS)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 meters were non-compliant</p> <p>This obligation refers to compliance with the design requirements for high voltage and current transformer (CT) connected meters. It is unrelated to the non-compliant direct connect meters previously mentioned. Therefore Western Power complies with this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5
321.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.12(2)	A network operator must ensure that instrument transformers in its metering installations comply with the relevant requirements of any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act and any requirements specified in the applicable metrology procedure.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Post commissioning audit process</li> <li>• Test Certificate evaluation</li> <li>• WAER - meter fuses or service protective devices</li> <li>• Corporate Filing System in place (DMS)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>The NATA Scope of Accreditation certifies that Western Power's meters comply with the requirements specified under the Metrology Procedures and the National Measurement Act.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
322.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.12(3)	A network operator must provide isolation facilities, to the standard of good electricity industry practice, to facilitate testing and calibration of the metering installation.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Post commissioning audit process</li> <li>• Test Certificate evaluation</li> <li>• WAER - meter fuses or service protective devices</li> <li>• Corporate Filing System in place (DMS)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Discussion with the Metering Data Manager noted that isolation facilities are in place in the event that testing or calibration of the meter is required.</p> <p><b>Conclusion: Compliant</b></p>	5
323.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.12(4)	A network operator must maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for maintenance and auditing purposes.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Post commissioning audit process</li> <li>• Test Certificate evaluation</li> <li>• WAER - meter fuses or service protective devices</li> <li>• Corporate Filing System in place (DMS)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Drawings of metering installations derive from ENMAC in the format of a schematic diagram with different symbols used to denote meters, feeders, substations, etc. ENMAC has been built in accordance with the electricity standards and Code requirements.</p> <p>Drawings and supporting information are retained in Western Power's Document Management System.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
324.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.13(1)	A network operator must procure the user or the user's customer to install (or arrange for the installation of) a full check metering installation or partial check metering installation in accordance with the prescribed requirements.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• MBS records type of metering installation details. Program to identify if installations above 1000 gigawatt hours completed</li> <li>• Post commissioning audit process</li> <li>• Test Certificate evaluation</li> <li>• WAER - meter fuses or service protective devices</li> <li>• Corporate Filing System in place (DMS)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards)</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302 above.</li> <li>2. Select a sample of 25 metering connections completed during the audit scope period for testing. Check that the retailer or customer installed a: <ol style="list-style-type: none"> <li>a. full check metering installation, where the energy (GWh pa) per metering point is &gt;1000 GWh annually; or</li> <li>b. partial check metering installation, where the energy (GWh pa) per metering point is 100 - 1000 GWh annually.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to test results from Electricity Compliance Reporting Manual No. 302.  Customers must install or arrange for the installation of a full check metering installation (energy per metering point is greater than 1,000 gigawatt hours per annum) or partial check metering installation (energy per metering point is between 100-1,000 gigawatt hours per annum).  The requirement for the full or partial check is specified and forms part of Western Power's connection application, design, quote and approval process when customers submit an application for connection.</li> <li>2. Sample testing performed identified that a full check or partial check metering installation was installed in accordance with the prescribed requirements. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
325.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.13(c)	A partial check metering installation must be physically arranged in a manner determined by the network operator, acting in accordance with good electricity industry practice.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• MBS records type of metering installation details. Program to identify if installations above 1000 gigawatt hours completed</li> <li>• Post commissioning audit process</li> <li>• Test Certificate evaluation</li> <li>• WAER - meter fuses or service protective devices</li> <li>• Corporate Filing System in place (DMS)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards)</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 324.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 324.</p> <p>Sample testing performed identified that partial check metering installations, where applicable, were arranged in accordance with the prescribed requirements. No exceptions noted.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
326.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.13(4)	A check metering installation for a metering point must not exceed twice the error level permitted under clause 3.9 for the revenue metering installation for the metering point, and must be connected in such a way that it measures the same load conditions as the revenue metering installation for the metering point, and must be otherwise consistent with the prescribed requirements.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• MBS records type of metering installation details. Program to identify if installations above 1000 gigawatt hours completed</li> <li>• Post commissioning audit process</li> <li>• Test Certificate evaluation</li> <li>• WAER - meter fuses or service protective devices</li> <li>• Corporate Filing System in place (DMS)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards)</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 meters were non-compliant.</p> <p>This licence condition applies to Type 1 and 2 metering installations only, as they are the only installations which require check meters. The non-compliant meters identified are Type 6 direct connect meters. Therefore Western Power complies with this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5
327.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.14(3)	If, under clause 3.14(2) of the Code, a metering installation uses metering class CTs and VTs that do not comply with the prescribed requirements, then the network operator must either (or both) install meters of a higher class accuracy or apply accuracy calibration factors within the meter in order to achieve the overall accuracy requirements prescribed.	Distribution, Transmission	2	Major	Likely	High	Weak	1		<ul style="list-style-type: none"> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards)</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation</li> <li>• MBS allows recording of values to correct variations in pulse multipliers, data validation, meter constant and calibration tables</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 meters were non-compliant.</p> <p>These non-compliant meters are direct connect meters and are unrelated to this obligation because CT and VTs are not used on Type 6 direct connect meters. Therefore Western Power complies with this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
328.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.16(1)	A network operator must ensure that a Type 1 metering installation to Type 5 metering installation on the network has the facilities and functionality prescribed.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• In accordance with Metrology Procedure</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards)</li> <li>• Technical review process with Supplier</li> <li>• NATA accreditation for meter testing and evaluation</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 meters were non-compliant.</p> <p>This condition refers to the electronic functionality of Type 1-5 meters where electronic interval capable meters are required. The non-compliant meters identified are direct connect electro-mechanical meters installed on Type 6 metering installations. Therefore Western Power complies with this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5
329.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.16(2)	A network operator must ensure that a Type 1 metering installation to Type 4 metering installation on the network includes a communications link.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• In accordance with Metrology Procedure</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards)</li> <li>• Technical review process with Supplier</li> <li>• NATA accreditation for meter testing and evaluation</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>NATA Scope of Accreditation certifies that Western Power's meters comply with the requirements specified under the Metrology Procedures and the National Measurement Act.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
330.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.16(3)	If a device is used as a data logger, the energy data for a metering point on the network must be collated in trading intervals within the metering installation unless it has been agreed between the network operator and the Code participant that energy data may be recorded in sub-multiples of a trading interval.	Distribution, Transmission	2	Moderate	Likely	High	Weak	1	Breach - 2008 Performance Audit and 2009 Annual Compliance Report	<ul style="list-style-type: none"> <li>In accordance with Metrology Procedure</li> <li>Meter Management Plan</li> <li>Technical Specifications (Purchasing Standards)</li> <li>Technical review process with Supplier</li> <li>NATA accreditation for meter testing and evaluation</li> </ul>	<ol style="list-style-type: none"> <li>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.</li> <li>Verify whether the: <ol style="list-style-type: none"> <li>breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>Discuss with key personnel and obtain supporting documentation to determine whether data is collected in 30 minute intervals in accordance with the metrology procedure.  If not, obtain evidence of an agreement between Western Power and the Authority which allows data to be collected at an alternative interval.</li> </ol>	<ol style="list-style-type: none"> <li>Refer to test results from Electricity Compliance Reporting Manual No. 302.</li> <li>Breach has been corrected from the 2008 performance audit and post audit plan has been implemented.</li> <li>Western Power does not collect metering data in 30 minute intervals in accordance with the Metrology Procedure. However we validated that formal agreements have been established with Code Participants to collect metering data at an alternative interval of 15 minute intervals.  Western Power has not established an agreement with Synergy to collect energy data in sub-multiples (i.e. 15 minutes) of the prescribed trading interval of 30 minutes. Discussions with the Synergy Networks Manager identified that they have requested additional information from Western Power however they are awaiting for a response. Non compliance noted.</li> </ol>	2
<b>Conclusion: Non compliant</b>															
331.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.16(5)	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.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>In accordance with Metrology Procedure</li> <li>Meter Management Plan</li> <li>Technical Specifications (Purchasing Standards)</li> <li>Technical review process with Supplier</li> <li>NATA accreditation for meter testing and evaluation</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	Refer to test results from Electricity Compliance Reporting Manual No. 302.  At the time of performing the audit, Western Power was in the process of negotiating separate service level agreements (SLAs) with Synergy and Horizon Power.  We selected both SLAs for sample testing. Based on inspection and discussions with the SLA Manager, we identified no exceptions.	5
<b>Conclusion: Compliant</b>															
332.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.16(6)	A network operator may only impose a charge for the matters dealt with in the metrology procedure in accordance with the applicable service level agreement between it and the user.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>In accordance with Metrology Procedure</li> <li>Meter Management Plan</li> <li>Technical Specifications (Purchasing Standards)</li> <li>Technical review process with Supplier</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	Refer to test results from Electricity Compliance Reporting Manual No. 302.  Sample testing performed identified that all charges imposed on the Code Participant was in accordance with the relevant service level agreement. No exceptions noted.	5
<b>Conclusion: Compliant</b>															

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
333.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.18(1)	If the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract, and in circumstances where immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract, then the metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 302.</p> <p>This obligation applies to distribution and transmission licensees however the obligation imposes actions on the Electricity Retail Corporation.</p> <p>However the meter itself remains the responsibility of Western Power. Discussions with the Accounts Manager and Metering Data Manager noted that meters comply with the wholesale market metering installation requirements.</p> <p><b>Conclusion: Compliant</b></p>	5
334.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.20(1)	A network operator must, if reasonably requested by a Code participant, provide enhanced technology features in a metering installation.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Requests reviewed and service level agreements negotiated</li> <li>• Technical Specifications (Purchasing Standards)</li> <li>• Technical review process with supplier</li> <li>• NATA accreditation for meter testing and evaluation</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.</li> <li>2. Enquire whether any requests for enhanced technology features have been received during the audit scope period.</li> </ol> <p>If so, select a sample of 25 requests received during the audit scope period for testing. Determine whether:</p> <ol style="list-style-type: none"> <li>a. enhanced technology features were provided in response to the request by validating against supporting evidence; and</li> <li>b. any charges imposed were in accordance with the applicable service level agreement.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to test results from Electricity Compliance Reporting Manual No. 302.</li> <li>2. Sample testing performed and examination of each service order identified no exceptions.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
335.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.20(3)	A network operator may only impose a charge for the provision of metering installations with enhanced technology features in accordance with the applicable service level agreement between it and the user.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 334.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 334.</p> <p>Sample testing performed identified that charges imposed were in accordance with the applicable service level agreement. No exceptions noted</p> <p><b>Conclusion: Compliant</b></p>	5
336.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.21(1)	Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.</li> <li>2. Obtain supporting evidence to validate: <ol style="list-style-type: none"> <li>a. the accuracy of the internal real time clock</li> <li>b. that time drift is measured over a period of 1 month.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to the test results from Electricity Compliance Reporting Manual No. 302.</li> <li>2. The MV90 clock is synchronised with the Western Australia Standard Time (WAST) at Western Power's Head Office LAN network. Every meter is connected with the MV90 and will automatically synchronise and reflect the correct time.</li> </ol> <p>We sighted the Neutron Program date and time. The Metering Data Manager clicked on the "automatic" button which synchronises to Head Office and Greenwich times. The time drift was 1 second difference. A check between the MV90 and the meter of the time drift is performed once a month.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
337.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.21(2)	If a metering installation includes measurement elements and an internal data logger at the same site, it must include facilities on site for storing the interval energy data for the periods prescribed.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.</li> <li>2. Select a sample of 25 meters which include measurement elements and an internal data logger at the site for testing.  Obtain supporting evidence to validate that interval energy data is retained at the onsite facility for: <ol style="list-style-type: none"> <li>a. where a communications link has been installed, at least 35 days from and including the day that data is first recorded; or</li> <li>b. where a communications link has not been installed, at least 200 days from and including the day that data is first recorded.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to the test results from Electricity Compliance Reporting Manual No. 302.  The NATA Scope of Accreditation certifies that Western Power's meters comply with the requirements specified under the Metrology Procedures and the National Measurement Act</li> <li>2. Sample testing performed identified that Western Power retains interval energy data onsite for the relevant meters for the prescribed timeframes in accordance with the Code. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
338.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.22	A network operator providing one or more metering installations with enhanced technology features must be licensed to use and access the metering software applicable to all devices being installed and be able to program the devices and set parameters.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	<p>Refer to the test results from Electricity Compliance Reporting Manual No. 302.</p> <p>NATA accreditation certifies that Western Power is licensed and authorised to perform meter testing and evaluation which involves using and accessing its metering software to program the devices and set parameters.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
339.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.23(a)	Where signals are provided from the meter for the user or the user's customer use, a network operator must ensure that signals are isolated by relays or electronic buffers to prevent accidental or malicious damage to the meter.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	Refer to the test results from Electricity Compliance Reporting Manual No. 302.  NATA Scope of Accreditation certifies that Western Power's meters comply with the requirements specified under the Metrology Procedures and the National Measurement Act.  <b>Conclusion: Compliant</b>	5
340.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.23(b)	Where signals are provided from the meter for the user or the user's customer use, a network operator must provide the user or the user's customer with sufficient details of the signal specification to enable compliance with clause 3.23(c) of the Code.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302.	Refer to the test results from Electricity Compliance Reporting Manual No. 302.  NATA Scope of Accreditation certifies that Western Power's meters comply with the requirements specified under the Metrology Procedures and the National Measurement Act.  The device to be connected to the output signal is checked by Western Power to determine its compatibility with the output signal. A certificate of conformance is issued with the meter by the meter provider, Landis & Gyr, certifying that meters meet the standards and specifications of the Code.  <b>Conclusion: Compliant</b>	5
341.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.25	A network operator that operates and maintains a pre-payment meter on its network must operate and maintain the pre-payment meter in accordance with good electricity industry practice and, as far as reasonably practicable, minimise any departure from what the requirements of the Code would have been in respect of the pre-payment meter if clause 3.24 were deleted.	Distribution, Transmission	2								Not applicable. Western Power does not use prepayment meters.	Not applicable. Western Power does not use prepayment meters.  <b>Conclusion: Not applicable</b>	N/A

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
343.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 3.29	A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list.	Distribution, Transmission	2	Moderate	Likely	High	Weak	1	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Service Connect Scheme</li> <li>• Notification provided in accordance with the communications rules</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to manage and monitor registered metering installation providers.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Verify whether the: <ol style="list-style-type: none"> <li>a. breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>b. recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>4. Check the Western Power website to determine whether a list of registered metering installation providers is published including details about the type of work each registered provider is authorised to carry out.</li> <li>5. Obtain supporting evidence that the list of registered metering installation providers is reviewed and updated on an annual basis.</li> </ol>	<ol style="list-style-type: none"> <li>1. Walked through the process with the Metering Data Manager.</li> <li>2. The Service Connect Scheme Guidelines were obtained.</li> <li>3. No breach was reported from the 2008 performance audit.</li> <li>4. Checked the Western Power website and validated that a list of registered metering installation providers is published including the type of work they are authorised to perform. Website link <a href="http://www.westernpower.com.au/mainContent/connectionsUpgrades/newConnections/find_electrical_contractor.html">http://www.westernpower.com.au/mainContent/connectionsUpgrades/newConnections/find_electrical_contractor.html</a></li> <li>5. Western Power's website links back to the ELIS database, therefore any changes in an electrical contractor's accreditation is reflected to the list of approved metering installation providers.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
344.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.1(1)	A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network.	Distribution, Transmission	2	Major	Probable	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls for the Metering Business System including: <ul style="list-style-type: none"> <li>- back up and disaster recovery plan</li> <li>- data recorded (standing data, consumption data, historical consumption data)</li> <li>- reporting</li> <li>- data accuracy and integrity</li> <li>- data retention period</li> <li>- system availability</li> </ul> </li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Obtain supporting evidence that all meters are recorded in the Metering Business System. Enquire how the completeness and accuracy of metering data is verified.</li> <li>Obtain and inspect a sample of 2 monthly metering performance reports generated from the Metering Business System during the audit scope period.  Check that it provides appropriate metering information to facilitate monitoring of the requirements and compliance with this Code.</li> </ol>	<ol style="list-style-type: none"> <li>A walkthrough was performed with the Metering Data Manager.</li> <li>Obtained a copy of the MBS Disaster Recovery Plan and Backup and Recovery Policy.</li> <li>Performed a walkthrough of the processes to record and manage meter details and supporting evidence was obtained.  Meter details are entered into the MBS via the asset maintenance module based on the manifest details received. If Metering Services does not receive a manifest from Landis &amp; Gyr, the meter will not be added into MBS.  The Metering Services Customer Assist team receives a list of the returned meter readings each day and checks it against the MBS to ensure that the meter is marked as having been returned to stock.</li> <li>We obtained a sample of 2 Metering Services: Service Performance Reports for testing. We inspected the reports and noted that they contain appropriate metering information that would facilitate monitoring compliance with this Code.</li> </ol>	5

**Conclusion: Compliant**

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
345.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.1(2)	A network operator must ensure that its metering database and associated links, circuits, information storage and processing systems are secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorized access and enable unauthorized access to be detected.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS) - functional specifications</li> <li>• Site security</li> <li>• IT security policy</li> <li>• Application security</li> <li>• Application Auditing</li> <li>• Corporate continuity plan, back up and redundancy infrastructure in place</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the security and access processes and controls in place for the Metering Business System to prevent, monitor and detect any unauthorised access.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Inspect system records to determine whether there has been any unauthorised access to the Metering Business System during the audit scope period. If so, obtain supporting evidence that it was detected and the incident resolved promptly.</li> </ol>	<ol style="list-style-type: none"> <li>1. Walked through the process with the Metering Data Manager. <ul style="list-style-type: none"> <li>▶ New users or employees must complete and submit an Access to MBS application form that has been approved by their Supervisor. Metering Service Support personnel creates the new user, assigns a MBS login ID, password and a functional group (governs MBS access based on requirements of their role, i.e. read only, read and write, no access).</li> <li>▶ MBS passwords are required to be changed every 30 days and passwords must be different from the previous 8 passwords.</li> <li>▶ MBS users are allowed 3 logon attempts before being locked out.</li> <li>▶ Upon departing from Western Power, HR informs IT to remove the user's access, which removes access to all Western Power systems.</li> <li>▶ The MBS user access listing is reviewed by the Meter Data Manager on an ad hoc basis.</li> </ul> </li> <li>2. The MBS Functional Specification Manual - Security was obtained.</li> <li>3. The Metering Data Manager advised that there has not been any instance of unauthorised access to MBS, hence nil population for sample testing.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
346.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.1(3)	A network operator must prepare, and if applicable, must implement a disaster recovery plan to ensure that it is able, within 2 business days after the day of any disaster, to rebuild the metering database and provide energy data to Code participants.	Distribution, Transmission	2	Major	Likely	High	Weak	1	Breach - 2008 Performance Audit and 2009 Annual Compliance Report	<ul style="list-style-type: none"> <li>• Metering Business System (MBS) - functional specifications</li> <li>• Site security</li> <li>• IT security policy</li> <li>• Application security</li> <li>• Application Auditing</li> <li>• Disaster recovery testing</li> <li>• Corporate continuity plan, back up and redundancy infrastructure</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures 1 and 2 performed for Electricity Compliance Reporting Manual No. 344 in relation to disaster recovery.</li> <li>2. Verify whether the: <ol style="list-style-type: none"> <li>a. breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>b. recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>3. Enquire whether disaster recovery testing has been performed during the audit period.  If so, check whether the disaster recovery test details and results were reported, including any issues identified and resolved.</li> <li>4. Determine whether the discovery recovery plan is effective and enables the Metering Business System to be rebuilt within 2 business days.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to test results from Electricity Compliance Reporting Manual No. 344 audit procedures 1 and 2 performed in relation to disaster recovery.</li> <li>2. The breach from the 2008 performance audit has been corrected and post audit plan has been implemented by December 2008. Therefore Western Power was compliant for only a portion of the audit period</li> <li>3. Disaster recovery testing was performed in October 2009 and the results reported were successful in recovering the MBS within 2 business days.</li> <li>4. Disaster recovery test results reported the successful recovery of the MBS within 2 business days and therefore the plan is effective.</li> </ol> <p><b>Conclusion: Non compliant</b></p>	2
347.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.2(1)	A network operator must ensure that its registry complies with the Code and the prescribed clause of the market rules.	Distribution, Transmission	2	Major	Probable	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS) - functional specifications</li> <li>• Site security</li> <li>• IT security policy</li> <li>• Application security</li> <li>• Application Auditing</li> <li>• Corporate continuity plan, back up and redundancy infrastructure in place</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 344.	<p>Refer to test results from Electricity Compliance Reporting Manual No. 344.</p> <p>The MBS has been configured with functional specifications, business rules, validation checks and specific data fields in accordance with the requirements of the Metering Code.</p> <p>The data recording process is controlled by transactions, readings and service order responses to the market through B2B processes. Customer NMs, standing data, consumption data and historical consumption data are recorded and maintained in the MBS.</p> <p><b>Conclusion: Compliant</b></p>	5
348.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.3(1)	The standing data for a metering point must comprise at least the items specified.	Distribution, Transmission	2	Major	Probable	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical Review process with Supplier.</li> <li>• NATA</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 344</li> <li>2. Walkthrough the standing data for 1 metering point and check that the Metering Business System records the following information at a minimum: <ol style="list-style-type: none"> <li>a. Metering point reference details, including: <ul style="list-style-type: none"> <li>- details of the address of the</li> </ul> </li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to test results from Electricity Compliance Reporting Manual No. 344.</li> <li>Western Power's Metering Business System (MBS) has been configured with functional specifications, business rules, validation checks and specific data fields in accordance with the requirements of the Metering Code.</li> <li>2. We performed a walkthrough for</li> </ol>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
												<p>accreditation for meter testing and evaluation.</p> <ul style="list-style-type: none"> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	<p>metering point in a format specified in the communications rules</p> <ul style="list-style-type: none"> <li>- substation name</li> <li>- the length of network between the metering point and the substation</li> <li>- voltage at metering point</li> <li>- distribution loss factor</li> <li>- network tariff description</li> <li>- location of the metering equipment on the site and reference details (e.g. drawing numbers)</li> <li>- either: <ul style="list-style-type: none"> <li>- last and next date for a scheduled meter reading; or</li> <li>- reading day number, as specified in the model service level agreement.</li> </ul> </li> <li>- whether or not the customer associated with the metering point is a contestable customer</li> <li>- site identification names</li> <li>- details in accordance with the communication rules of the user which is the "current user" for the metering point; and <ul style="list-style-type: none"> <li>- except in the case of the user who was the current user for the metering point at the time this clause commenced, the transfer date on which the user became the current user; and</li> <li>- a change history enabling the determination of which user was the current user for any day after the time this clause commenced.</li> </ul> </li> </ul> <p>b. The identity and characteristics of metering equipment at the metering point including:</p> <ul style="list-style-type: none"> <li>- meter type</li> <li>- meter serial numbers</li> <li>- NMI</li> <li>- status (energised or de-energised)</li> <li>- metering installation Type</li> <li>- instrument transformer connected ratio</li> <li>- reference to current test and calibration program details, test results and test certificates</li> <li>- calibration tables, where applied to achieve metering installation accuracy in accordance with the accuracy requirements in</li> </ul>	<p>the standing data of NMI #8002068534 and validated on screen that the MBS records all the specified information in accordance with this Code.</p> <p><b>Conclusion: Compliant</b></p>	

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
													<p>Table 3 in Appendix 1</p> <ul style="list-style-type: none"> <li>- summation scheme values and multipliers</li> <li>- data register coding details</li> </ul> <p>Data communication details in respect of the metering point, including</p> <ul style="list-style-type: none"> <li>- telephone numbers for access to data</li> <li>- communication device type and serial numbers</li> <li>- communication protocol details or references</li> <li>- user identification and access rights</li> <li>- 'write' password (to be contained in a hidden or protected field)</li> </ul> <p>Data validation and substitution processes agreed between affected parties in respect of the metering point, including:</p> <ul style="list-style-type: none"> <li>- algorithms</li> <li>- data comparison techniques</li> <li>- processing of alarms (e.g. voltage source limits; phase-angle limits)</li> <li>- check metering compensation details.</li> </ul>		
349.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.4(1)	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.	Distribution, Transmission	NR	Minor	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Web Portal MBS provide meter data process</li> <li>• MBS (Metering Business System)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to resolve discrepancies between energy data from the metering installation and the Metering Business System.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Performed a walkthrough of the specified process with the Metering Data Manager. Meter reading exceptions are managed by the Readings Management Group officers on a daily basis. If the retailer wants to resolve a discrepancy or if they have not received the required meter reading, they may raise a 'Meter Data Verifier' and submit it to the Readings Management Group.</li> <li>2. Obtained a copy of the NMI's User Guide: Readings Exceptions, MBS Functional Specifications: Meter Reading Exceptions and Readings Management Substitution Process.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
350.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	Distribution, Transmission	NR	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS) - functional specifications</li> <li>• Site security</li> <li>• IT security policy</li> <li>• Application security</li> <li>• Application Auditing</li> <li>• Corporate continuity plan, back up and redundancy infrastructure in place</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to maintain and validate the accuracy of the standing data registry.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Obtain evidence that the registry is monitored, reviewed and updated (if necessary) on a regular basis. Obtain supporting evidence.</li> </ol>	<ol style="list-style-type: none"> <li>1. Performed a walkthrough of the processes and controls in relation to the standing data registry with the Metering Data Manager. Standing data service orders are received and processed by the Data Management Group daily.</li> <li>2. Obtained a copy of the Maintain Customer Details, Maintain Site Access and Maintain Site Address processes documented.</li> <li>3. The Metering Data Group Supervisor monitors outstanding service orders on a weekly basis by generating an Outstanding Service Order report from the Metering Business System (MBS). We obtained a copy of the Metering Services Performance Reports prepared and presented to management on a monthly basis.</li> </ol>	5
<b>Conclusion: Compliant</b>															
352.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.6(1)	If a network operator is notified of a change to or inaccuracy in an item of standing data by a Code participant which is the designated source for the item of standing data, then the network operator must update the registry.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical Review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 350.</li> <li>2. Select a sample of 25 valid notices received for a change to or inaccuracy in the standing data registry, during the audit scope period for testing.</li> </ol> <p>Check that the:</p> <ol style="list-style-type: none"> <li>a. registry was updated in accordance with the notice</li> <li>b. affected user (retailer, customer) was notified within 2 business days or an alternative time specified within an applicable service level agreement.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to Electricity Compliance Reporting Manual No. 350.</li> <li>2. Sample testing performed identified that Western Power updated the registry and notified affected users within 2 business days upon receipt of a change to or inaccuracy in the standing data registry. No exceptions noted.</li> </ol>	5
<b>Conclusion: Compliant</b>															

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating	
353.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.6(2)	If a network operator is notified of a change to or inaccuracy in an item of standing data by a Code participant which is not the designated source for the item of standing data, or otherwise becomes aware of a change to or inaccuracy in an item of standing data, then the network operator must undertake investigations to the standard of good electricity industry practice to determine whether the registry should be updated, and update the registry as required.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Inspection System Plan</li> <li>• WAER (wiring requirements)</li> <li>• Meter Management Plan</li> <li>• Technical Specifications (Purchasing Standards).</li> <li>• Technical Review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> <li>• Revenue Protection Policy</li> <li>• Ticket Lodgement Process</li> <li>• Service Connect Scheme</li> <li>• Contractor Connect Scheme</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 350.</li> <li>2. Select a sample of 25 notifications received of a change to or inaccuracy in standing data during the audit scope period for testing.  Validate to supporting evidence to determine whether: <ol style="list-style-type: none"> <li>a. Western Power conducted an investigation to determine whether the registry should be updated;</li> <li>b. the registry was updated where required; and</li> <li>c. notification was provided to the affected user within 2 business days or another time as specified in the applicable service level agreement</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to Electricity Compliance Reporting Manual No. 350.  Western Power has established processes to ensure that notifications received from Code participants, who are not the designated source or owner of the NMI, are followed up and actioned. Data Management Group officers will update standing data details based on the retailer's notification.</li> <li>2. We obtained a listing of standing data requests for the audit period and the current owner of the relevant NMI.  We noted that all requests were made by the owners of the NMI at the time.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5	
354.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.7	A network operator must notify any affected user for a metering point of the updated standing data within the timeframes prescribed, where that user would otherwise be entitled to the updated standing data.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS) process in accordance with communications rules and the required timings.</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 353.	Refer to Electricity Compliance Reporting Manual No. 353.  To close a service order, the registry has to be updated. When the service order is closed, a notification is automatically sent to the Metering Business System (MBS) instantly. The MBS is the gateway to the Market Participant, therefore the retailer will be notified of the completed service order instantly.	<p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
355.	Distribution Licence condition 5.1 Regional Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.8(3)	A network operator must allow a user who supplies, purchases or generates electricity to have local and (where a suitable communications link is installed) remote access to the energy data for metering points at its associated connection points, using a 'read only' password provided by the network operator.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Technical Specifications (Purchasing Standards) details requirement for 'read only' password provision and access.</li> <li>• Technical Review process with Supplier.</li> <li>• NATA accreditation for meter testing and evaluation.</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to enable local and remote access to meters for a user who supplies, purchases or generates electricity.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Obtain evidence that remote access rights are reviewed annually where the user's access is renewed or removed depending on their needs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Performed a walkthrough with the Metering Data Manager and Metering Strategist.  Customers requiring access to their meter will submit a request to Western Power generally via email. Large volume users such as power stations will request access via from their Western Power Account Manager. Western Power provides the customer with a read only password to download meter data to their computer.</li> <li>2. Obtained a copy of the Metering Dynamics Process document.</li> <li>3. Access rights are not reviewed annually. We acknowledge that this is not a compliance requirement however it is an opportunity for improvement.</li> </ol> <p><b>Conclusion: Compliant with improvement opportunity.</b></p>	4
356.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.8(4)	A network operator must have security devices and methods in place that ensure that energy data held in its metering installation and data held in its metering database is secured from unauthorized local or remote access, in the manner prescribed, sufficient to the standard of good electricity industry practice.	Distribution, Transmission	2	Major	Probable	High	Strong	2		<ul style="list-style-type: none"> <li>• Site security</li> <li>• IT security policy</li> <li>• MBS Application Security</li> <li>• MBS Application Auditing</li> <li>• WAER (wiring requirements)</li> <li>• Meter seals</li> <li>• Inspections process</li> <li>• Revenue Protection processes</li> <li>• Contract terms &amp; conditions</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 345.</li> <li>2. Validate the security devices and methods established to prevent unauthorized access to: <ol style="list-style-type: none"> <li>a. meters; and</li> <li>b. data in the Metering Business System.</li> </ol> </li> <li>3. Validate the security measures established to protect the passwords and access to the Metering Business System.</li> <li>4. Determine whether passwords: <ol style="list-style-type: none"> <li>a. contain a minimum of 6 characters;</li> <li>b. include a mix of alphanumeric characters; and</li> <li>c. are required to be changed on a quarterly basis, at a minimum.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 345.  All Western Power meters have either a plastic or copper approved type seal fitted when the meter is installed. The meter body is sealed by the manufacturer prior to supply to Western Power. Certificates are provided with the meters by the supplier Landis and Gyr, certifying that meters are compliant.  For larger customers metering installations are secured inside lockable meter boxes. The sample we selected for testing were large commercial properties with locked meter boxes.  Seals are checked where Western Power performs any work on an existing meter installation. Where Western Power becomes aware of a metering installation that is not sealed, the meter will be tested and sealed. This can include instances where WA Police notifies Western Power of suspected meter tampering or where regular meter readings show a dramatic drop in consumption.  MBS user access is provided based on the requirements of the user's role. Passwords are required to be changed every 30 days and must</li> </ol>	3

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
														<p>be different from the previous 8 passwords. Upon departure from Western Power, HR informs IT to remove the user's access which removes access to all Western Power systems.</p> <p>2. Refer to test results from audit procedure 1. All Western Power meters have either a plastic or copper approved type seal fitted when the meter is installed. The meter body is sealed by the manufacturer prior to supply to Western Power. Certificates are provided with the meters by the supplier Landis and Gyr, certifying that meters are compliant.</p> <p>We sighted the Metering Data Manager attempt to log into MBS using an incorrect password and noted that an error message appeared, notifying the Metering Data Manager of the incorrect password entered.</p> <p>3. New users or employees requiring access to the Metering Business System (MBS) are required to complete an Access to MBS application form. The applicant must obtain their Supervisor's approval prior to submitting the form to the Metering Services Support team.</p> <p>We sighted the Metering Data Manager attempt to log into MBS using an incorrect password and noted that an error message appeared, notifying Metering Data Manager of the incorrect password entered. Passwords are retained only by the IT Branch.</p> <p>4. Western Power's systems have been configured with the following password requirements:</p> <ul style="list-style-type: none"> <li>▶ Minimum 8 characters containing a mix of alphanumeric characters.</li> <li>▶ Passwords are required to be changed every 30 days and must be significantly different from the previous 8 passwords. The system has been configured to reject password changes that are similar to the previous 8 password.</li> </ul> <p><b>Conclusion: Compliant</b></p>	

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
357.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.8(5)	A network operator must ensure that electronic passwords and other electronic security controls are secured from unauthorized access and are only issued to authorized personnel.	Distribution, Transmission	2	Major	Probable	High	Strong	2		<ul style="list-style-type: none"> <li>• Site security</li> <li>• IT security policy</li> <li>• MBS Application Security</li> <li>• MBS Application Auditing</li> <li>• WAER (wiring requirements)</li> <li>• Meter seals</li> <li>• Inspections process</li> <li>• Revenue Protection processes</li> <li>• Contract terms &amp; conditions</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 356.	<p>Refer to Electricity Compliance Reporting Manual No. 356.</p> <p>Only the IT Branch has access to electronic passwords which are secured and retained in Western Power's systems.</p> <p><b>Conclusion: Compliant</b></p>	5
358.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 4.9	A network operator must retain energy data in its metering database for each metering point on its network for at least the periods, and with the level of accessibility, prescribed.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Metering Business System (MBS) has been configured to retain data for 24 months from the date it was obtained, and after that period for a further 5 years is archived for data retrieval.</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 344.</li> <li>2. Select a sample of 25 customers for testing and check that energy data has been retained in the Metering Business System (or in the legacy system CUSREMS) for: <ol style="list-style-type: none"> <li>a. at least 13 months from the date when the data was obtained – in a readily accessible format; and</li> <li>b. after that period for at least a further 5 years and 11 months – in a format that is accessible within a reasonable period of time.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to Electricity Compliance Reporting Manual No. 344.</li> </ol> <p>The Metering Business System (MBS) retains metering data live within the system for 2 years and subsequently archives data for 5 years. Legislative and regulatory requirements prescribe that interval data must be retained online for 13 months and at least 5 years and 11 months offline (total 7 years). MBS has been configured to retain data for the prescribed timeframes.</p> <p>We noted that documented hardcopy procedures for metering data retention periods and archiving have not been developed. Improvement opportunity noted.</p> <ol style="list-style-type: none"> <li>2. Sample testing performed identified that energy data has been retained in the MBS for the prescribed timeframes. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant with improvement opportunity</b></p>	4

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
359.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.1 (1)	A network operator must use all reasonable endeavours to accommodate another Code participant's requirement to obtain a metering service and requirements in connection with the negotiation of a service level agreement.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Metering Code model service level agreement available to all Code participants.</li> <li>• Additional services available on an as requested basis for inclusion into off market</li> </ul>	<ol style="list-style-type: none"> <li>1. Discuss with key personnel, the processes to accommodate a Code participant's: <ul style="list-style-type: none"> <li>- requirement to obtain a metering service</li> <li>- requirements in connection with negotiating a service level agreement</li> </ul> </li> <li>2. Enquire whether any service level agreements were negotiated with Code participants during the audit scope period.  If so, select a sample of 25 for testing and validate that Western Power: <ol style="list-style-type: none"> <li>a. expeditiously and diligently processed all requests for a service level agreement;</li> <li>b. negotiated in good faith with a Code participant regarding the terms for a service level agreement; and</li> <li>c. permitted a Code participant to acquire a metering service containing only the elements of the metering service which the Code participant wished to acquire.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Discussed the processes with the Metering Data Manager and Service Level Agreement Manager.  At the time of performing the audit, Western Power was in the process of negotiating separate service level agreements (SLAs) with Synergy and Horizon Power. The SLA Manager advised that regular meetings and workshops are held with Synergy and Horizon. The SLA Manager meets with the Synergy and Horizon Power negotiator to discuss and agree on the services that Western Power can provide through the SLA.</li> <li>2. SLAs are being negotiated with Synergy and Horizon Power and close to completion.  We selected both SLAs for sample testing. Based on inspection and discussions with the SLA Manager, we identified no exceptions.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
360.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.1(2)	A network operator must expeditiously and diligently process all requests for a service level agreement and negotiate its terms in good faith. A network operator must, to the extent reasonably practicable in accordance with good electricity industry practice, permit a Code participant to acquire a metering service containing only those elements of the metering service which the Code participant wishes to acquire.	Distribution, Transmission	NR	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Metering Code model service level agreement available to all Code participants.</li> <li>• Additional services available on an as requested basis for inclusion into off market</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 359.	<p>Refer to Electricity Compliance Reporting Manual No. 359.</p> <p>Western Power may provide services to a Code Participant by establishing a formal agreement through a Meter Data Agent Letter. The services to be provided by Western Power will be negotiated and agreed with the Code Participant.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
361.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.3	A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database within the timeframes prescribed.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>MV90 and MVRS meter reading data collection systems collect the energy data before transferring it into the metering database (Metering Business System (MBS))</li> </ul>	<p>Discuss with key personnel, the process of transferring energy data from the metering installation to the Metering Business System.</p> <p>Determine whether the process facilitates data to be transferred by no later than 2 business days after the date of a scheduled meter reading or at another time specified in the applicable service level agreement.</p>	<p>We discussed energy data transfer processes with the Metering Data Manager.</p> <p>Energy data is transferred via MV90 and the Metering Business System (MBS). MV90 is an automatic system that remotely communicates with the meter and collects data in half hour intervals. For the MBS, a Field Officer performs a manual basic meter data reading and enters data into the FC200 (hand held device). Data from this device transmits automatically to the MBS. These processes facilitate the transfer of data 24/7.</p> <p>Refer to test results from Electricity Compliance Reporting Manual No. 317.</p> <p>Sample testing identified that Western Power did not achieve the minimum required availability level of 95% throughout the audit period. Hence data was not always transferred within 2 business days as required by this obligation.</p> <p><b>Conclusion: Non compliant</b></p>	2
362.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.4(1)	A network operator must, for each accumulation meter on its network, use reasonable endeavours to undertake a meter reading that provides an actual value at least once in any 12 month period.	Distribution, Transmission	NR	Moderate	Probable	Medium	Weak	3	Breach - Annual Compliance Report 2009	<ul style="list-style-type: none"> <li>Metering Business System (MBS)</li> <li>Resource contract specification supports code requirements.</li> <li>Business Processes for annual read obligation.</li> </ul>	Select a sample of 25 accumulation meters for testing. Check whether an actual meter reading was taken within a 12 month period, which provided an actual value.	<p>Sample testing performed identified that there was 1 instance where an actual meter read had not been performed within 12 months. Exception noted.</p> <p><b>Conclusion: Non compliant</b></p>	2
364.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.5(2)	A network operator may only impose a charge for the provision of data under this Code in accordance with the applicable service level agreement between it and the user and must not impose a charge for the provision of data if another enactment prohibits it from doing so.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Metering Business System (MBS) configuration</li> <li>Resource contract specification supports code requirements.</li> <li>Business Processes for annual read obligation.</li> </ul>	<p>Select a sample of 25 charges imposed for the provision of standing or energy data during the audit scope period for testing</p> <p>Check that charges are in accordance with the applicable service level agreement and not prohibited.</p>	<p>We obtained the charges imposed on all Code Participants for the audit period and noted that no charges were applied for the provision of data.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
366.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.6(1)	A network operator must provide validated, and where necessary, substituted or estimated energy data for a metering point to the user for the metering point and the IMO within the timeframes prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Weak	1		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for providing substituted or estimated energy data to the customer and the IMO.</li> <li>2. Walkthrough the process and controls in place to ensure validation of metering data prior to or at the time of loading into the database.</li> <li>3. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>4. For the controls identified in relation to the validation of data loads test 50 loads to ensure: <ul style="list-style-type: none"> <li>- validation process was followed</li> <li>- invalid data was identified and actioned to enable the timeframes at step 5 to be met</li> </ul> </li> <li>5. Select a sample of 50 substituted or estimated reads provided during the audit scope period for testing.</li> </ol> <p>Verify that data was provided to the customer and IMO before 5pm on the first business day after the energy data was obtained, or such other time as specified in the service level agreement.</p>	<ol style="list-style-type: none"> <li>1. Performed a walkthrough for substituted and estimated energy data with the Metering Data Manager.</li> <li>Western Power notifies the customer of an estimated or substituted reading through the retailer. A NEM12 (interval metering data) and NEM13 (basic metering data) file is sent to the retailer daily containing a list of all customers subject to an estimated or substituted reading and the skip codes (reason) for the estimated read.</li> <li>2. The reading exceptions process for substituted energy data is an automatic process within the system. Any exceptions are filtered out and the Data Management team investigates the exception within the MBS to determine whether the exception is a valid exception or processing error which can be corrected.</li> <li>3. Obtained a copy of the Procedure on How to Substitute a Reading and MV90 Estimation Process document.</li> <li>4. Sample testing performed of loads noted that the validation process was adhered to invalid data was investigated. Refer also to step 5. No exceptions noted.</li> <li>5. Sample testing performed identified that data was provided within the specified timeframes. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
367.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.7	A network operator must provide replacement energy data to the user for the metering point and the IMO within the timeframes prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for providing replacement energy data to the customer and the IMO.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Select a sample of 25 customers issued with replacement energy data during the audit scope period for testing.</li> </ol> <p>Verify that the data was provided to the customer and IMO within 2 business days or such other time as specified in the applicable service level agreement.</p>	<ol style="list-style-type: none"> <li>1. Performed a walkthrough for substituted and estimated energy data with the Metering Data Manager.</li> <li>2. Obtained a copy of the Procedure on How to Substitute a Reading and MV90 Estimation Process document.</li> <li>3. Sample testing performed identified that Western Power provided the replacement data within the prescribed timeframes. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
368.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.8	A network operator must provide a user with whatever information the network operator has that is necessary to enable the user to comply with the Code of Conduct, within the time necessary for the user to comply with the obligations.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 215 - 299.	<p>Sample testing performed in relation to providing energy or standing data to users identified no exceptions.</p> <p><b>Conclusion: Compliant</b></p>	5
369.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.9	A network operator must provide standing data, provided to or obtained by it under this Code, to users where required to do so under any enactment.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 14 and 63.	<p>Refer to Electricity Compliance Reporting Manual No. 14 and 63.</p> <p>The process for providing standing data information to customers and retailers upon request is an automated process. Sample testing performed identified no exceptions.</p> <p><b>Conclusion: Compliant</b></p>	5
370.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.10	A network operator must provide a subset of the standing data to a retailer in accordance with the provisions of Annex 4 of the Customer Transfer Code.	Distribution, Transmission	2	Moderate	Likely	High	Strong	4		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 14 and 63.	<p>Refer to Electricity Compliance Reporting Manual No. 14 and 63.</p> <p>The process for providing standing data information to customers and retailers upon request is an automated process. Sample testing performed identified no exceptions.</p> <p><b>Conclusion: Compliant</b></p>	5
371.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.11	If a transfer occurs at a connection point, a network operator must provide an incoming retailer with a copy of the standing data for each metering point associated with the connection point within the timeframes prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 14 and 63.	<p>Refer to Electricity Compliance Reporting Manual No. 14 and 63.</p> <p>Retailers submit a standing data request via Western Power's Metering Service Centre web based portal. Information is displayed online immediately. This process for providing standing data information to retailers upon request is an automated process. Therefore information is provided instantly online and complies with the 2 day timeframe specified by this obligation.</p> <p>Sample testing performed identified no exceptions.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
372.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.12(1)	If a network operator is given a request in accordance with the communication rules and the energy data request relates only to a time or times for which the user was the current user at the metering point, a network operator must provide a user with a complete set of energy data for a metering point within the timeframes prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Web Portal MBS provide meter data process</li> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for providing energy data.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Select a sample of 25 valid energy data (interval or accumulated) requests received during the audit scope period for testing.</li> </ol> <p>Check that the:</p> <ol style="list-style-type: none"> <li>a. energy data was provided within 2 business days.</li> <li>b. date was provided for each meter reading.</li> </ol>	<ol style="list-style-type: none"> <li>1. A walkthrough of the process was performed with the Metering Data Manager.</li> <li>2. A copy of the Build Pack was obtained.</li> <li>3. Sample testing performed identified Western Power provided energy data within the prescribed 2 day timeframe. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
373.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.13	A network operator must provide a current user with a complete current set of standing data for a metering point and advise whether there is a communications link for the metering point, within the timeframes prescribed, if it is given a request in accordance with the communication rules.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Web Portal MBS provide meter data process</li> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 14 and 63.	<p>Refer to Electricity Compliance Reporting Manual No. 14 and 63.</p> <p>Retailers submit a standing data request via Western Power's Metering Service Centre web based portal. Information is displayed online immediately. This process for providing standing data information to retailers upon request is an automated process. Therefore information is provided instantly online and complies with the 2 day timeframe specified by this obligation.</p> <p>Sample testing performed identified no exceptions.</p> <p><b>Conclusion: Compliant</b></p>	5
374.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.14(3)	A network operator must acknowledge receipt of a bulk standing data request from a user and provide the requested standing data within the timeframes prescribed in accordance with the communication rules.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Web Portal MBS provide meter data process</li> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for providing bulk data.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Select a sample of 25 valid bulk standing data requests received during the audit scope period for testing.</li> </ol> <p>Check that:</p> <ol style="list-style-type: none"> <li>a. energy data was provided within 2 business days.</li> <li>b. date was provided for each meter reading.</li> </ol>	<ol style="list-style-type: none"> <li>1. A walkthrough of the process was performed with the Metering Data Manager.</li> <li>2. A copy of the Build Pack was obtained.</li> <li>3. Sample testing performed identified Western Power provided data within the prescribed 2 day timeframe which included the meter reading date. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
375.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.15	A network operator that provides energy data to a user or the IMO must also provide the date of the meter reading.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Web Portal MBS provide meter data process</li> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 372.	<p>Refer to Electricity Compliance Reporting Manual No. 372.</p> <p>Sample testing performed identified that the date of the meter reading was provided with energy data. No exceptions noted.</p> <p><b>Conclusion: Compliant</b></p>	5
383.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.19(5)	A network operator must give notice to a user, or (if there is a different current user) the current user, acknowledging receipt of any customer, site or address attributes from the user within the timeframes prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Web Portal MBS provide meter data process</li> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<p>Use the same sample of 25 customers selected for testing under Electricity Compliance Reporting Manual No. 35.</p> <p>Check that Western Power notified the customer, acknowledging receipt of a change in their details, within the following timeframes:</p> <p>a. for customer or site attributes (i.e. customer's name, postal address, phone number or NMI), within 1 business day after receiving the information; and</p> <p>b. for address attributes (i.e. meter address), within 15 business days after receiving the information.</p>	<p>Sample testing performed identified that Western Power provided notification to customers within the prescribed timeframes. No exceptions noted.</p> <p><b>Conclusion: Compliant</b></p>	5
385.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.20(1)	A network operator must, within 6 months from the date this Code applies to the network operator, develop, in accordance with the communication rules, an energy data verification request form.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Forms have been designed to meet the requirements</li> <li>• Web Portal MBS provide meter data process</li> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Obtain or sight a copy of the Energy Data Verification Request Form.</li> <li>2. Obtain supporting evidence that the form was developed within 6 months from the date the Electricity Industry Metering Code became applicable to Western Power.</li> </ol>	<ol style="list-style-type: none"> <li>1. We obtained a copy of the Energy Data Verification Request form.</li> <li>2. The Energy Data Verification Request form was developed when the Metering Code came into effect in 2005. No changes were made to the form during the audit period.</li> </ol> <p>This obligation was tested in the 2008 Licence performance audit which validated that Western Power complies with this obligation, therefore no further work was performed.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
386.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.20(2)	An Energy Data Verification Request Form must require a Code participant to provide the information prescribed.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Forms have been designed to meet the requirements</li> <li>Energy Data Verification Request Form has been designed to meet</li> <li>Web Portal MBS provide meter data process</li> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes and transactions</li> </ul>	<p>Inspect the Energy Data Verification Request Form to check that it requests the following:</p> <ol style="list-style-type: none"> <li>the metering point's NMI and checksum; and</li> <li>the reason for the request; and</li> <li>for: <ol style="list-style-type: none"> <li>an interval meter – the start date and time and end date and time of the period to which the Code participant's request relates; and</li> <li>an accumulation meter – the meter reading date to which the request relates, i.e. actual reading date.</li> </ol> </li> <li>where practicable – such information as the Code participant is reasonably able to provide to assist compliance with the request.</li> </ol>	<p>We inspected the Data Verification Request form and validated that it requests for the prescribed information in compliance with the requirements of this obligation.</p> <p><b>Conclusion: Compliant</b></p>	5
387.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.20(4)	If a Code participant requests verification of energy data, a network operator must, in accordance with the metrology procedure, use reasonable endeavours to verify energy data and inform the requesting Code participant of the result of the verification and provide the verified energy data within the timeframes prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes and transactions</li> <li>NACK only unreasonable</li> </ul>	<ol style="list-style-type: none"> <li>Select a sample of 25 energy data verification requests during the audit scope period for testing.</li> <li>Check that the verification results and energy data was provided no later than 5 business days after receiving the Energy Data Verification Request Form, or such other time as specified in the applicable service level agreement.</li> </ol>	<ol style="list-style-type: none"> <li>We selected a sample of 25 energy data verification requests received by Western Power during the audit period for testing.</li> <li>Sample testing performed identified 4 exceptions were noted where energy data was not provided within 5 business days. <ul style="list-style-type: none"> <li>Energy data for 3 requests were provided in 8 business days</li> <li>Energy data for 1 request was provided in 11 business days.</li> </ul> </li> </ol> <p><b>Conclusion: Non compliant</b></p>	2

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
388.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.21(2)	A network operator must comply with any reasonable request by a Code participant to undertake either a test or an audit of the accuracy of the metering installation or the energy or standing data of the metering installation.	Distribution, Transmission	2	Major	Likely	High	Weak	1	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> <li>• NACK only unreasonable</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to perform a test or audit of the metering installation's accuracy or the energy or standing data of the metering installation.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Verify whether the: <ol style="list-style-type: none"> <li>a. breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>b. recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>4. Select a sample of 50 requests to perform a test or audit received during the audit scope period for testing. Check that: <ol style="list-style-type: none"> <li>a. the test or audit was performed, by validating to the results reported;</li> <li>b. where errors were identified, notice was provided to the affected parties in a timely manner;</li> <li>c. where errors were identified, the accuracy of the meter was corrected in accordance with the service level agreement; and</li> <li>d. any charges imposed were in accordance with the applicable service level agreement.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. A walkthrough of the process was performed with the Metering Data Manager.  Customers may request for a test or audit of the accuracy of the metering installation or the energy or standing data of the metering installation through their retailer. The retailer will submit a Service Order to Western Power and the request is received by the Meter Data Management team. The meter is tested in the Meter Provisions lab by a technician and the results are documented in a report.</li> <li>2. Obtained a copy of the Meter Testing Flowchart and the Electrical Standards Laboratory Quality Manual.</li> <li>3. The breach is specific to Electricity Compliance Reporting Manual No. 389.</li> <li>4. Sample testing performed of 50 requests for a test or audit identified the following exceptions: <ul style="list-style-type: none"> <li>▶ 5 instances of undercharging the Code Participant (Synergy).</li> <li>▶ 1 instance of a charging for a faulty meter, which contravenes clause 5.21(8) of the Metering Code.</li> </ul> This testing is specific to Electricity Compliance Reporting Manual No. 392.  Note that as per obligation ref. 389, if Western Power received a request to test at Type 1-4 meter, it could not comply as it does not have the required equipment. Discussion with Western Power identified that there were no such requests during the audit period. As this obligation is about actual performance, not capability, this inability to test does not impact the compliance rating. However see obligation ref. 389 for non compliant rating.  <b>Conclusion: Not rated</b> </li> </ol>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
389.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.21(4)	A test or audit is to be conducted in accordance with the metrology procedure and the applicable service level agreement.	Distribution, Transmission	2	Major	Likely	High	Weak	1	Breach - 2008 Performance Audit and 2009 Annual Compliance Report	<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> <li>• NACK only unreasonable</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 388.	<p>Refer to Electricity Compliance Reporting Manual No. 388.</p> <p>The breach reported from the 2008 Licence performance audit has not been corrected. Metering Services do not have the equipment required to test Type 1 - 4 meters.</p> <p><b>Conclusion: Non compliant.</b></p>	2
392.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.21(8)	A network operator may only impose a charge for the testing of the metering installations, or auditing of information from the meters associated with the metering installations, or both, in accordance with the applicable service level agreement between it and the user.	Distribution, Transmission	2	Major	Likely	High	Weak	1	Breach - 2008 Performance Audit and 2009 Annual Compliance Report	<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> <li>• NACK only unreasonable</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 388.	<p>Refer to Electricity Compliance Reporting Manual No. 388.</p> <p>Sample testing performed of 50 requests for a test or audit identified the following exceptions:</p> <ul style="list-style-type: none"> <li>▶ 5 instances of undercharging the Code Participant (Synergy).</li> <li>▶ 1 instance of a charging for a faulty meter, which contravenes clause 5.21(8) of the Metering Code.</li> </ul> <p>Exceptions noted.</p> <p><b>Conclusion: Non compliant.</b></p>	2
393.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.21(9)	Any written service level agreement in respect of the testing of the metering installations, or the auditing of information from the meters associated with the metering installations, must include a provision that no charge is to be imposed if the test or audit reveals a non-compliance with this Code which results in energy data errors in the network operator's favour.	Distribution, Transmission	2	Major	Likely	High	Weak	1	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> <li>• NACK only unreasonable</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 388.	<p>Refer to Electricity Compliance Reporting Manual No. 388.</p> <p>Sample testing performed of 50 requests for a test or audit identified the following exceptions:</p> <ul style="list-style-type: none"> <li>▶ 5 instances of undercharging the Code Participant (Synergy).</li> <li>▶ 1 instance of a charging for a faulty meter, which contravenes clause 5.21(8) of the Metering Code.</li> </ul> <p>Exceptions noted.</p> <p><b>Conclusion: Non compliant.</b></p>	2
394.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.21(11)	A network operator must advise the affected parties as soon as practicable of errors detected under a test or audit, the possible duration of the errors, and must restore the accuracy of the metering installation in accordance with the applicable service level agreement.	Distribution, Transmission	2	Major	Likely	High	Weak	1	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> <li>• NACK only unreasonable</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 388.	<p>Refer to Electricity Compliance Reporting Manual No. 388.</p> <p>The meter is tested in the Meter Provisions lab by a technician and the results are documented in a report. This report is sent to the Meter Data Management team who sends the results to the retailer and customer as soon as the outcome has been determined. Refer to Meter Performance Test Results.</p> <p><b>Conclusion: Compliant.</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
395.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.21(12)	The original stored error correction data in a meter must not be altered except during accuracy testing and calibration of a metering installation.	Distribution, Transmission	2	Major	Likely	High	Weak	1	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 388.</li> <li>2. Enquire about the instances when original stored error correction data in a meter may be altered.</li> <li>3. Select a sample of 25 meters where the original stored error correction data was altered during the audit scope period for testing.</li> </ol> <p>Validate whether the data was altered during accuracy testing and calibration of the meter.</p>	<ol style="list-style-type: none"> <li>1. Refer to Electricity Compliance Reporting Manual No. 388.</li> <li>2. The Metering Data Manager and the Metering Strategist informed that original stored error correction data in a meter has never been altered.</li> <li>3. The Metering Data Manager and the Metering Strategist informed that original stored error correction data in a meter has never been altered. Therefore nil population to test.</li> </ol> <p><b>Conclusion: Not rated.</b></p>	N/R
396.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.22(1)	A network operator must validate energy data in accordance with this Code applying, as a minimum, the prescribed rules and procedures and must, where necessary, substitute and estimate energy data under this Code applying, as a minimum, the prescribed rules and procedures.	Distribution, Transmission	2	Major	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 302 and 366.	<p>Refer to Electricity Compliance Reporting Manual No. 302 and 366.</p> <ul style="list-style-type: none"> <li>▶ Business rules have been configured into the Metering Business System which validates energy data entered. If the data is lower or significant higher than the previous meter reading and same period last year, it is filtered out into an exception report and manually investigated by the Meter Data Management team.</li> <li>▶ Meter readings may require substitution if a reading has not been provided due to a faulty meter, a reading cannot be obtained or Western Power is unable to establish who removed the meter.</li> <li>▶ Replacement occurs when Western Power provides the retailer with substituted metering data and subsequently receives the actual meter data. Therefore, the substituted data must be replaced with the actual data, i.e. previously substituted and now replaced with an actual read.</li> </ul> <p><b>Conclusion: Compliant.</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
397.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.22(2)	The network operator must use check metering data, where available, to validate energy data provided that the check metering data has been appropriately adjusted for differences in metering installation accuracy.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for using check metering data to validate energy data.</li> <li>2. Obtain a copy of documented policies, procedures and other supporting documentation.</li> <li>3. Select a sample of 25 instances when check metering data was used to validate energy data during the audit scope period for testing.</li> </ol> <p>Determine whether the check metering data was adjusted for differences in metering accuracy in validating the energy data.</p>	<ol style="list-style-type: none"> <li>1. A walkthrough of the process was performed with the Metering Data Manager.</li> <li>2. Obtained a copy of the Generation Validation Procedures.</li> <li>3. Sample testing performed identified no exceptions.</li> </ol> <p><b>Conclusion: Compliant.</b></p>	5
398.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.22(3)	A network operator must prepare substitute values using the prescribed method if a check meter is not available or energy data cannot be recovered from the metering installation within the time required.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> <li>• NACK only unreasonable</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for using substitute values when a check meter is unavailable or energy data cannot be recovered from the metering installation within the time required by this Code.</li> <li>2. Obtain a copy of documented policies, procedures and other supporting documentation.</li> <li>3. Select a sample of 25 instances when a check meter was unavailable or energy data was not recovered during the audit scope period for testing.</li> </ol> <p>For each instance, validate that substituted values were used.</p>	<ol style="list-style-type: none"> <li>1. A walkthrough of the process was performed with the Metering Data Manager.</li> <li>2. Obtained a copy of the Substitution Readings Procedures and MV90 Estimation Process document.</li> <li>3. The Metering Data Manager advised that there have been no instances of check meter being unavailable or energy data that cannot be recovered. Therefore nil population to test.</li> </ol> <p><b>Conclusion: Not rated.</b></p>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
399.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.22(4)	A network operator that detects a loss of energy data or incorrect energy data from a metering installation must notify each affected Code participant of the loss or error within 24 hours after detection.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• System Management Network Operations is responsible for Emergency management</li> <li>• Fault Process (DMS# 4471544)</li> <li>• The emergency management plan (DMS#2072196)</li> <li>• Restoration Of Customers (Load) After An UFLS Event (DMS# 3363555)</li> <li>• Unplanned Switching programs/schedule (DMS#2081872)</li> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> </ul>	<p>Enquire whether any loss of or incorrect energy data received from a metering installation occurred during the audit scope period.</p> <p>If so, select a sample of 25 customers affected by the loss of or incorrect energy data during the audit scope period for testing.</p> <p>Check whether notification was provided within 24 hours after detection by validating to supporting evidence.</p>	<p>The Metering Data Manager advised there were no instances of lost or corrupted energy data. Therefore nil population to test.</p> <p><b>Conclusion: Not rated.</b></p>	N/R
400.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.22(5)	Substitution or estimation of energy data is to be required when energy data is missing, unavailable or corrupted, including in the circumstances described.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> </ul>	<ol style="list-style-type: none"> <li>1. Enquire whether loss, unavailability or corruption of energy data occurred during the audit during the audit scope period.</li> <li>2. If so, select a sample of 25 instances where energy data was lost, unavailable or corrupted during the audit scope period for testing. <ol style="list-style-type: none"> <li>a. Validate that substitution or estimated energy data was provided to replace the energy data.</li> <li>b. Determine whether that Western Power reviewed the failures before substituting energy data.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. The Metering Data Manager informs that he is not aware of any missing, unavailable, loss or corruption of energy data that occurred during the audit scope period.</li> <li>In the event that any data is lost, unavailable or corrupted, a Data Management Group team member will review the failures before making any substitution.</li> <li>2. Nil population to test. The Metering Data Manager informed that there were no instances of missing, unavailable, loss or corruption of energy data during the audit period.</li> </ol> <p><b>Conclusion: Not rated.</b></p>	N/R
401.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.22(6)	A network operator must review all validation failures before undertaking any substitution.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 400.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 400.</p> <p><b>Conclusion: Not rated.</b></p>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
402.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.23(1)	A network operator that determines that there is no possibility of determining an actual value for a metering point must designate an estimated or substituted value for the metering point to be a deemed actual value for the metering point.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for <ul style="list-style-type: none"> <li>- determining actual values for a meter</li> <li>- the circumstances when estimated or substituted values may be required</li> <li>- verifying the accuracy of deemed, estimated or substituted values.</li> </ul> </li> <li>2. Obtain a copy of documented policies, procedures and other supporting documentation.</li> <li>3. Select a sample of 25 instances where actual values could not be determined during the audit scope period for testing.</li> </ol> <p>Validate whether an estimated or substituted value was provided and deemed the actual value.</p>	<ol style="list-style-type: none"> <li>1. A walkthrough of the process was performed with the Metering Data Manager.  Actual values may need to be determined in the event a meter has been removed. If after 20 days, Western Power cannot determine who installed, changed and removed the meter, a substitute read is generated and marked as a final substitute. A final substitute reading is a 'deemed actual' meter reading in accordance with the Metrology Procedures.</li> <li>2. Obtained a copy of the Meter Removal Process document.</li> <li>3. Sample testing performed identified no exceptions.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
403.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.23(3)	A network operator that has designated a deemed actual value for a metering point must repair or replace the meter or one or more of components of metering equipment (as appropriate) at the metering point.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes and transactions</li> </ul>	<p>Use the same sample of 25 instances selected for testing under Electricity Compliance Reporting Manual No. 402.</p> <p>Validate whether the meter or its components were repaired or replaced.</p>	<p>Sample testing performed identified that meter components were replaced. No exceptions noted.</p> <p><b>Conclusion: Compliant</b></p>	5
404.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.24(1)	A network operator that uses an actual value (first value) for energy data for a metering point, and a better quality actual or deemed actual value is available (second value), must replace the first value with the second value if doing so would be consistent with good electricity industry practice.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 402.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 402.</p> <p><b>Conclusion: Compliant</b></p>	5
405.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.24(2)	A network operator that uses a deemed actual value (first value) for energy data for a metering point, and a better quality deemed actual value is available (second value), must replace the first value with the second value if doing so would be consistent with good electricity industry practice.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 402.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 402.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
406.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.24(3)	A network operator that uses an estimated or substituted value (first value) for energy data for a metering point, and a better quality actual, deemed, estimated or substituted value is available (second value), must replace the first value with the second value if doing so would be consistent with good electricity industry practice or the user and its customer jointly request it to do so.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures 1 and 2 performed for Electricity Compliance Reporting Manual No. 402.</li> <li>2. Select a sample of 25 customer requests received to replace estimated or substituted values (first value) with a better quality actual, deemed, estimated or substituted value (second value) during the audit scope period for testing,</li> </ol> <p>Verify that Western Power replaced the first value with the second value as requested by the customer.</p>	<ol style="list-style-type: none"> <li>1. Refer to Electricity Compliance Reporting Manual No. 402 audit procedures 1 and 2.</li> <li>2. The Metering Data Manager advised that there were no requests to replace estimated or substituted values with a better quality, actual deemed, estimated or substituted value during the audit period. Therefore nil population to test.</li> </ol> <p><b>Conclusion: Not rated</b></p>	N/R
407.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.24(4)	A network operator (acting in accordance with good electricity industry practice) must consider any reasonable request from a Code participant for an estimated or substituted value to be replaced.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 406.	<p>Refer to Electricity Compliance Reporting Manual No. 406.</p> <p>Code Participants may request for a special read if they are not satisfied with the substitute read however this is not a request to replace the value. If the special read is different, Metering Support Services Administration will delete the substitute read from the MBS.</p> <p>The Metering Data Manager advised that there were no requests to replace estimated or substituted values with a better quality, actual deemed, estimated or substituted value during the audit period. Therefore nil population to test.</p> <p><b>Conclusion: Not rated</b></p>	N/R
408.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.25	A network operator must ensure the accuracy of estimated energy data in accordance with the methods in its metrology procedure and ensure that any transformation or processing of data preserves its accuracy in accordance with the metrology procedure.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• MBS estimation algorithms in accordance with Metrology Procedure.</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 402.	<p>Refer to Electricity Compliance Reporting Manual No. 402.</p> <p>Actual values may need to be determined in the event a meter has been removed. If after 20 days, Western Power cannot determine who installed, changed and removed the meter, a substitute read is generated and marked as a final substitute. A final substitute reading is a 'deemed actual' meter reading in accordance with the Metrology Procedures.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
410.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.29	If a network operator makes an election for the electricity networks corporation to be its metering data agent in relation to a network, then, except to the extent that the metering data agency agreement provides otherwise, the parties must undertake the activities prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Walkthrough the processes in relation to metering data agency agreements, the related obligations and compliance with the required obligations	Western Power has been conducting activities as the meter data agent for Horizon Power.  <b>Conclusion: Compliant</b>	5
411.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.30(1)	If a network operator makes an election for the electricity networks corporation to be its metering data agent in relation to a network, then the electing network operator and the electricity networks corporation must enter into a metering data agency agreement in relation to the network, which must deal with at least the matters prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Walkthrough the processes in relation to metering data agency agreements, the related obligations and compliance with the required obligations	A Memorandum of Understanding (MOU) was established between Western Power and Horizon Power upon disaggregation, effective from 1 April 2006. The MOU broadly covers the scope of services to be provided by Western Power, however there is insufficient detail to satisfy the requirements of this obligation.  Horizon Power formally elected Western Power as its meter data agent effective from 1 October 2009. The services elected are specified within the Service Level Contract Metering Services with Horizon Power, executed as an agreement on 12 October 2009. Therefore Western Power achieved compliance during the audit period.  <b>Conclusion: Non compliant</b>	2
412.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.31(1)	If a network operator makes an election for the electricity networks corporation to be its metering data agent in relation to a network, the electricity networks corporation must assess the compliance of each metering installation in the network with this Code and notify the electing network operator of each non-compliant metering installation.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Walkthrough the processes in relation to metering data agency agreements, the related obligations and compliance with the required obligations	No non-compliant meters were identified during the audit period.  Western Power's in-service meter compliance program identified non-compliant meters, however none were Horizon Power meters as validated by the Metering Data Manager.  <b>Conclusion: Compliant</b>	5
413.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.31(2)	An electing network operator may, by notice to the electricity networks corporation, require the electricity networks corporation to upgrade a non-compliant metering installation, in which case the electricity networks corporation must undertake the upgrade in accordance with the metering data agency agreement and good electricity industry practice.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Walkthrough the processes in relation to metering data agency agreements, the related obligations and compliance with the required obligations	No non-compliant meters were identified during the audit period.  Western Power's in-service meter compliance program identified non-compliant meters, however none were Horizon Power meters as validated by the Metering Data Manager.  <b>Conclusion: Compliant</b>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
414.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 5.34(2)	Except to the extent that the metering data agency agreement provides otherwise, the costs which may be recovered by the electricity networks corporation for acting as the network operator's metering data agent must not exceed the amounts prescribed.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Functional specifications</li> <li>• System operational processes</li> <li>• B2B processes</li> </ul>	Walkthrough the processes in relation to metering data agency agreements, the related obligations and compliance with the required obligations	<p>Inspection of a schedule of costs noted that they did not exceed the prescribed amounts.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
415.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 6.1(1)	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.	Distribution, Transmission	2	Major	Likely	High	Weak	1		<ul style="list-style-type: none"> <li>IT Systems (MBS, MV90, MVRS, ELIS)</li> <li>Business processes</li> <li>Management process and service reporting</li> <li>Meter Management Plan</li> <li>Metering Business System (MBS)</li> <li>Inspection System Plan</li> <li>Service &amp; Contractor Connect Schemes</li> <li>Contract Management</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough Western Power's processes and controls in place to manage and monitor compliance with: <ol style="list-style-type: none"> <li>Its model service level agreement; and</li> <li>its communications rules; and</li> <li>its metrology procedure; and</li> <li>any service level agreement entered into by it;</li> <li>its mandatory link criteria; and</li> <li>its registration process (if any).</li> </ol> </li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Identify the number of meters that were replaced during the audit scope period. Verify whether the fault was reported to the Authority.</li> <li>Select a sample of 4 Quarterly Compliance Reports from the audit scope period. Identify whether any non-compliance were reported for documents listed in audit procedure 1.</li> </ol>	<ol style="list-style-type: none"> <li>A walkthrough of the process was performed with the Manager Compliance. To monitor compliance, the Manager Compliance has developed an Excel spreadsheet listing all obligations categorised by the responsible division.  The monthly Metering Service Performance Report is used to monitor compliance with the model service level agreement (SLA). This report monitors service orders, data collection and provision. The Service Level Agreement Manager prepares a monthly report as part of the reporting obligations which reports Western Power's level of compliance with its SLAs.  The obligation covers documentary compliance in relation with Western Power's model service level agreement, communications rules, metrology procedure, any service level agreement entered into, mandatory link criteria and registration process (if any).</li> <li>Obtained a copy of the Build Pack, Communication Rules, Inspection System Plan, Service Connect Scheme and Contractor Connect Scheme.</li> <li>Western Power replaced 21,465 meters during the audit period. The Metering Data Manager does not report the faulty meters to the Authority because the Metering Data Manager does not consider it to be requirement of the Code.  Western Power selected a sample of three-phase, whole current meters in March 2009 which identified non-compliant meters. The Metering Management Plan requires in-service meters to record energy consumption within their prescribed limits. Based on projected failure rates, approximately 320,000 direct connect meters were non-compliant.</li> <li>Sample testing performed identified that there were no instances of non-compliance reported in relation to the items listed in audit procedure 1. No exceptions noted.</li> </ol>	2

**Conclusion: Non compliant**

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
417.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 6.20(4)	A network operator must amend any document in accordance with the Authority's final findings.	Distribution, Transmission	NR	Minor	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Business processes</li> <li>• Management process and service reporting</li> <li>• Meter Management Plan</li> <li>• Metering Business System (MBS)</li> <li>• Inspection System Plan</li> <li>• Service &amp; Contractor Connect Schemes</li> <li>• Contract Management</li> </ul>	<p>Enquire whether the Authority has directed Western Power to amend any of the following documents during the audit scope period:</p> <ol style="list-style-type: none"> <li>proposed model service level agreement;</li> <li>proposed communication rules;</li> <li>proposed metrology procedure; and</li> <li>proposed mandatory link criteria,</li> <li>proposed registration process</li> </ol> <p>If so, select a sample of 25 amendments and check that the documents were amended in accordance with the Authority's final findings.</p>	<p>Based on discussions with the Metering Data Manager and Metering Strategist, we noted that Western Power has not received any direction from the Authority to amend any of the documents listed during the audit period. Therefore nil population to test.</p> <p><b>Conclusion: Not rated</b></p>	N/R
418.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	Distribution, Transmission	NR	Minor	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Communication rules</li> <li>• Code of Conduct</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 50.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 50.</p> <p><b>Conclusion: Compliant</b></p>	5
419.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 7.2(2)	A network operator must notify each Code participant of its initial contact details and of any change to its contact details at least 3 business days before the change takes effect.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Web Portal MBS</li> <li>• Functional specifications</li> <li>• Communication rules</li> <li>• Code of Conduct</li> <li>• Contact details for notices are provided in the schedules to the Electricity Transfer Access Contracts with each retailer</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 51.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 51.</p> <p><b>Conclusion: Compliant</b></p>	5
424.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 8.1(1)	Representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute under or in connection with the Electricity Industry Metering Code by negotiations in good faith.	Distribution, Transmission	NR	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 55.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 55.</p> <p><b>Conclusion: Not rated</b></p>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
425.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	Distribution, Transmission	NR	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 55 and 56.	Refer to Electricity Compliance Reporting Manual No. 55 and 56.  <b>Conclusion: Not rated</b>	N/R
426.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	Distribution, Transmission	NR	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 56.	Refer to Electricity Compliance Reporting Manual No. 56.  <b>Conclusion: Not rated</b>	N/R
427.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	Distribution, Transmission	2	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 57.	Refer to Electricity Compliance Reporting Manual No. 57.  <b>Conclusion: Not rated</b>	N/R
428.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry Metering Code clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective of dispute resolution with as little formality and technicality and with as much expedition as the requirements of Part 8 of the Code and a proper hearing and determination of the dispute, permit.	Distribution, Transmission	NR	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• Dispute handling process</li> <li>• Communication rules</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 59.	Refer to Electricity Compliance Reporting Manual No. 59.  <b>Conclusion: Not rated</b>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
429.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 5(1)	A distributor or transmitter must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards.	Distribution, Transmission	NR	Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Distribution Management System</li> <li>• Issuing of General and Unusual Operating Instructions (DMS# 1531086)</li> <li>• Processing of DNAR's and Switching Programs/Schedules (DMS# 1531092)</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes, controls and reporting in relation to <ul style="list-style-type: none"> <li>- The standard for the voltage fluctuation of electricity supplied is a level of fluctuation that is less than the compatibility levels of Pst 1.0 Pst 0.8</li> <li>- The standard for the harmonic voltage distortion level of electricity supplied is a distortion level that is less than the compatibility levels set out in the Table to section 7 of the Code.</li> </ul> </li> <li>2. Select a sample of 25 complaints in relation to voltage fluctuations or harmonic voltage distortion and obtain details of: <ul style="list-style-type: none"> <li>- investigation undertaken</li> <li>- Correspondence with customer</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. Performed a walkthrough of the process with Metering Data Manager and Team Leader Reliability Analysis and Reporting.  Harmonic limits have been designed in the Trouble Call System in accordance with Western Power's Technical Rules. The total harmonic voltage distortion (THD) limit has been set to 6.5% for each customer to keep within the compatibility level of 8% (0.8) THD prescribed by the Code.</li> <li>2. Discussions with the Team Leader Complaints and Resolution and a search in CUSREMS, the complaints management system, identified that no complaints were received in relation to voltage fluctuations or harmonic voltage distortions during the audit period. Therefore nil population to test.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
430.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 8	A distributor or transmitter must, so far as reasonably practicable, disconnect the supply of electricity to installations or property in specified circumstances, unless it is in the interest of the customer to maintain the supply.	Distribution, Transmission	NR	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Applications and Queuing Policy</li> <li>• System Management Network Operations is responsible for Emergency management</li> <li>• Fault Process (DMS# 4471544)</li> <li>• The emergency management plan (DMS#2072196)</li> <li>• Restoration Of Customers (Load) After An UFLS Event (DMS# 3363555)</li> <li>• Unplanned Switching programs/schedule (DMS#2081872)</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures 1 and 2 performed for Electricity Compliance Reporting Manual No. 215.</li> <li>2. Obtain and inspect a copy of 2 monthly performance reports, to identify any instances when electricity was disconnected in the event that damage to the meter or customer's property may result, during the audit scope period.  For each instance, check against system availability reports to determine whether the 24 hour emergency line was available while customers were disconnected.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to Electricity Compliance Reporting Manual No. 215 audit procedures 1 and 2.</li> <li>2. Discussions with the Connections Manager and Metering Data Manager noted that Western Power may disconnect power supply at any time if it represents a safety risk, in cases of emergency, if the supply is not in accordance with statutory requirements, when instructed to do so by another authority (e.g. FESA or state police) or if there is reasonable evidence that the meter or supply equipment has been interfered with.  Based on reports inspected, we noted that there were no disconnections due to voltage or harmonic fluctuations.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
431.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 9	A distributor or transmitter must, as far as reasonably practicable, ensure that the supply of electricity is maintained and the occurrence and duration of interruptions is kept to a minimum.	Distribution, Transmission	NR	Major	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• System Management Network Operations is responsible for Emergency management</li> <li>• Fault Process (DMS# 4471544)</li> <li>• The emergency management plan (DMS#2072196)</li> <li>• Restoration Of Customers (Load) After An UFLS Event (DMS# 3363555)</li> <li>• Unplanned Switching programs/schedule (DMS#2081872)</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place for: <ul style="list-style-type: none"> <li>- planned interruptions</li> <li>- unplanned interruptions</li> <li>- managing and minimising the effect of interruptions on customers</li> <li>- alternative means of electricity supply</li> <li>- advising customers of the compensation available and receiving the payments for planned and unplanned interruptions.</li> </ul> </li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Select a sample of 25 customers affected by planned interruptions during the audit scope period for testing.</li> </ol> <p>Check that the duration of interruptions were within the following timeframes:</p> <ol style="list-style-type: none"> <li>a. if the customer's premises are on or south of the 26th parallel of latitude: <ol style="list-style-type: none"> <li>i. 6 hours; or</li> <li>ii. 4 hours, if at the time when notice is given the forecast maximum temperature issued by the Bureau of Meteorology in Perth for the area in which the premises are situated is 30°C or more for any part of the period of the interruption;</li> </ol> </li> <li>b. if the customer's premises are north of the 26th parallel of latitude, 4 hours.</li> </ol>	<ol style="list-style-type: none"> <li>1. A walkthrough was performed for each process with the Operational Standards &amp; Development Manager.</li> <li>2. Obtained a copy of the Unplanned Switching Program/ Schedule, Fault Process, Incident Management Process and Program Writers Sensitive Customers.</li> <li>3. Sample testing performed identified 1 instance where the outage duration was 8 hours, exceeding the prescribed maximum 6 hours.</li> </ol> <p>Exception noted for Electricity Compliance Reporting Manual No. 432.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
432.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 10(1)	A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer.	Distribution, Transmission	NR	Major	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• System Management Network Operations is responsible for Emergency management</li> <li>• Fault Process (DMS# 4471544)</li> <li>• The emergency management plan (DMS#2072196)</li> <li>• Restoration Of Customers (Load) After An UFLS Event (DMS# 3363555)</li> <li>• Unplanned Switching programs/schedule (DMS#2081872)</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 431.	<p>Refer to Electricity Compliance Reporting Manual No. 431</p> <p>Sample testing performed identified 1 instance where the outage duration was 8 hours, exceeding the prescribed maximum 6 hours.</p> <p><b>Conclusion: Non compliant</b></p>	2
433.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 10(2)	A distributor or transmitter must consider whether, in specified circumstances, it should supply electricity by alternative means to a customer who will be affected by a proposed interruption.	Distribution, Transmission	NR	Major	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• System Management Network Operations is responsible for Emergency management</li> <li>• Fault Process (DMS# 4471544)</li> <li>• The emergency management plan (DMS#2072196)</li> <li>• Restoration Of Customers (Load) After An UFLS Event (DMS# 3363555)</li> <li>• Unplanned Switching programs/schedule (DMS#2081872)</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 431.	<p>Refer to Electricity Compliance Reporting Manual No. 431.</p> <p>Western Power may install emergency response generators to provide backup electricity supply in the event of a planned interruption. The generators are installed on a strictly temporary basis and positioned to minimise the impact on surrounding residents and businesses, during planned and emergency power outages. Emergency response generators are only needed for 12 - 72 hours.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
435.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 13(2)	A distributor or transmitter must, so far as reasonably practicable, ensure that customers in specified areas do not have average total lengths of interruptions of supply greater than specified durations.	Distribution, Transmission	NR	Major	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>• Metering Business System (MBS)</li> <li>• System Management Network Operations is responsible for Emergency management</li> <li>• Fault Process (DMS# 4471544)</li> <li>• The emergency management plan (DMS#2072196)</li> <li>• Restoration Of Customers (Load) After An UFLS Event (DMS# 3363555)</li> <li>• Unplanned Switching programs/schedule (DMS#2081872)</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures 1 and 2 performed for Electricity Compliance Reporting Manual No. 431.</li> <li>2. Obtain the calculations used to report information about performance under Section 27 of the Code.  Check that the average total lengths of interruptions of supply were within the following timeframes: <ol style="list-style-type: none"> <li>a. 30 minutes for Perth CBD;</li> <li>b. 160 minutes for urban areas other than the Perth CBD; and</li> <li>c. 290 minutes for any other area of the State.</li> </ol> </li> <li>3. From the calculation at 2, trace key data within the calculation to supporting documentation to determine whether it is appropriately sourced and recalculate the results.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to Electricity Compliance Reporting Manual No. 431 audit procedures 1 and 2.</li> <li>2. Examination of the 2008 and 2009 Annual Network Quality and Reliability Code Reports noted that the average total lengths of interruptions of supply exceeded the timeframes for other urban areas outside the Perth CBD and rural areas. However the extended outages were a result of significant storm activity or bushfires which are beyond the control of Western Power. Western Power did not report this as a non compliance in its Annual Compliance Reports.  The Code states that Western Power must "so far as reasonably practicable" ensure that customers are not affected by an average length of interruptions of supply greater than the prescribed durations. Therefore because storm and bushfire activities are out of the control of Western Power, they comply with this obligation.  Based on walkthroughs and discussions with the Operational Standards and Development Manager, we noted that Western Power has established processes (planned/unplanned interruptions, ENMAC) to minimize and reduce the length of interruptions.</li> <li>3. Recalculations of performance indicators reported noted that results have been reported accurately. No exceptions noted.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
436.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 13(3)	The average total length of interruptions of supply is to be calculated using the specified method.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Reliability Management Plan</li> <li>Power quality management process</li> <li>Maintenance plan</li> <li>Emergency Fault repair process</li> <li>Approved Works Program</li> <li>AA1 submission which redefines reliability targets.</li> </ul>	<ol style="list-style-type: none"> <li>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 435.</li> <li>Determine whether the calculation for the average total length of interruptions of supply configured in the Metering Business System is based on: <ol style="list-style-type: none"> <li>the average total length, in minutes, of interruptions of supply to customer premises in an area during each year of the period of 4 years ending on that day; and</li> <li>the average of the 4 annual figures determined under paragraph (a).</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>Refer to Electricity Compliance Reporting Manual No. 435.  Calculations used to report performance have been configured within the Trouble Call System based on the method prescribed by the Code.</li> <li>We examined the spreadsheet containing data extracted from TCS and noted that Western Power's basis of calculating the average total length of interruptions complies with the method prescribed by this obligation.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
437.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 14(8)	A distributor or transmitter must, on request, provide to an affected customer a free copy of an instrument issued by the Minister and of any notice given under section 14(7) of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	Distribution, Transmission	2	Minor	Probable	Low	Strong	5		<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Communication rules</li> <li>Call Centre and customer service training and process</li> <li>Business processes</li> </ul>	<ol style="list-style-type: none"> <li>Enquire whether any requests were received from customers during the audit scope period, for a free copy of an instrument issued by the Minister or a notice issued under section 14(7) of this Code.  If so, select a sample of 5 requests received during the audit scope period for testing.</li> <li>Determine whether Western Power provided the requested information to the customer.</li> <li>Verify whether the information was provided free of charge.</li> </ol>	<ol style="list-style-type: none"> <li>Discussions with the Manager Compliance and inspection of the register of notices and directions identified that Western Power did not receive any customer requests during the audit period, for a copy of an instrument issued by the Minister or a notice. Therefore nil population to test.</li> <li>Not applicable.</li> <li>Not applicable.</li> </ol> <p><b>Conclusion: Not rated</b></p>	N/R
438.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 15(2)	A distributor or transmitter that agrees with a customer to exclude or modify certain provisions must set out the advantages and disadvantages to the customer of doing so in their agreement.	Distribution, Transmission	2	Minor	Probable	Low	Strong	5		<ul style="list-style-type: none"> <li>Code of Conduct</li> <li>Communication rules</li> <li>Call Centre and customer service training and process</li> <li>Business processes</li> </ul>	<ol style="list-style-type: none"> <li>Enquire whether Western Power has made any agreements with customers to exclude or modify certain provision.  If so, select a sample of 5 agreements entered into during the audit scope period for testing.</li> <li>Determine whether Western Power specified the advantages and disadvantages to the customer of excluding or modifying provisions in the agreement, by validating to supporting evidence.</li> </ol>	<ol style="list-style-type: none"> <li>Discussions with the Manager Compliance identified that Western Power did not enter into any agreements with customers to exclude or modify certain provisions during the audit period. Therefore nil population to test.</li> <li>Not applicable.</li> </ol> <p><b>Conclusion: Not rated</b></p>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
444.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 23(1)	A distributor or transmitter must take all such steps as are reasonably necessary to monitor the operation of its network to ensure compliance with specified requirements.	Distribution, Transmission	NR	Major	Likely	High	Medium	2		<ul style="list-style-type: none"> <li>• Distribution Management System</li> <li>• Issuing of General and Unusual Operating Instructions (DMS# 1531086)</li> <li>• Processing of DNAR's and Switching Programs/Schedules (DMS# 1531092)</li> <li>• Retention and Storage of NOCC Quality Records (DMS# 1531101)</li> <li>• NWI-087 Operations Requiring a Switching Program (DMS# 2249252)</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to monitor network operations in compliance with this Code.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Obtain a copy and inspect 2 reports on network operations from the audit scope period. Determine whether it provides information regarding compliance and any non-compliance.</li> <li>4. Assess the data collected for reporting reliability against that prescribed in the 2002 SCONRRR document for compliance. (Note that the calculated reliability indicators of SAIDI, SAIFI and CAIDI should only apply the defined exclusions in the document.)</li> </ol>	<ol style="list-style-type: none"> <li>1. Performed a walkthrough with the Senior Controller from the Control Room and the Team Leader Reliability Analysis and Reporting.</li> <li>2. Obtained a copy of the General and Unusual Operating Instructions, Processing of DNARs and Switching Programs/Schedules and NWI-087 Operations Requiring a Switching Program.</li> <li>3. Inspection of the 2008 and 2009 Annual Performance and Reliability Reports noted that it provides information regarding compliance and non-compliances.</li> <li>4. Discussion with the Team Leader Reliability Analysis and Reporting noted that data is extracted from the Reliability Data Validator and reports are developed in accordance with the prescribed guidelines.</li> </ol> <p><b>Conclusion: Compliant.</b></p>	5
445.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 23(2)	A distributor or transmitter must keep records of information regarding its compliance with specific requirements for the period specified.	Distribution, Transmission	2	Moderate	Probable	Medium	Moderate	4		<ul style="list-style-type: none"> <li>• Distribution Management System</li> <li>• Issuing of General and Unusual Operating Instructions (DMS# 1531086)</li> <li>• Processing of DNAR's and Switching Programs/Schedules (DMS# 1531092)</li> <li>• Retention and Storage of NOCC Quality Records (DMS# 1531101)</li> <li>• NWI-087 Operations Requiring a Switching Program (DMS# 2249252)</li> </ul>	<ol style="list-style-type: none"> <li>1. Discuss with key personnel, the record keeping and document retention requirements and compliance with legal requirements.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Determine whether network operation monitoring records are retained for at least 5 years after the day on which a report containing the information is published.</li> </ol>	<ol style="list-style-type: none"> <li>1. Discussed record keeping and document retention requirements with Operations Support and Document Control.  Western Power's systems have been set up to retain information in accordance with legal requirements. Information is retained online for 2 years before being archived for at least 5 years. This complies with the legal document retention requirement of 7 years. All customer records and documents (policies, procedures, supporting documentation, compliance required information, etc) are retained in the electronic Document Management System (DMS).</li> <li>2. Obtained a copy of the Retention and Disposals Schedule (hard copy) and Document Management Policy</li> <li>3. With the assistance of Operations Support and Document Control, we looked in DMS and noted that there were network operation documents and records retained in the system dating back to January 2002. This satisfies the legal requirement of retaining documents for a 7 year period.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
446.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 24(3)	A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Power quality management process.</li> </ul>	<p>Enquire whether any customer requests for a quality investigation were received during the audit scope period.</p> <p>If so, select a sample of 25 quality investigation requests for testing and:</p> <ol style="list-style-type: none"> <li>check that the investigation was completed within 20 business days;</li> <li>validate against supporting evidence that field measurements were taken where required; and</li> <li>the results of the investigation were reported to the customer.</li> </ol>	<p>Discussions with Operational Standards and Development Manager identified that Western Power did not receive any customer requests for a quality investigation during the audit period. Therefore nil population to test.</p> <p><b>Conclusion: Not rated</b></p>	N/R
447.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 24(4)	A distributor or transmitter must report the results of an investigation to the customer concerned.	Distribution, Transmission	2	Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Power quality management process.</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 446.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 446.</p> <p><b>Conclusion: Not rated</b></p>	N/R
448.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 25(2)	A distributor or transmitter must make available, at no cost, a copy of a document setting out its complaint handling processes to a small customer who makes a complaint to the distributor or transmitter or who asks to be given such information.	Distribution, Transmission	2	Minor	Probable	Low	Strong	5		<ul style="list-style-type: none"> <li>Western Power website</li> <li>Western Power contact number 13 10 87</li> <li>Customer Charter</li> <li>Complaints and resolutions team information sheet.</li> </ul>	<p>Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 263 and 264.</p>	<p>Refer to Electricity Compliance Reporting Manual No. 263 and 264.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
449.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 25(3)	A document setting out a distributor's or transmitter's complaint handling process must contain the specified information.	Distribution, Transmission	2	Minor	Probable	Low	Strong	5		<ul style="list-style-type: none"> <li>• CUSREMS complaints handling system, where all complaints are automatically tracked and resolution times reported monthly.</li> <li>• Complaints handling procedures DMS# 3582036.</li> <li>• Complaints handling process information provided on Western Power's website and via the Call Centre</li> <li>• Customer Charter.</li> <li>• Each complainant receives an information leaflet when their complaint is acknowledged.</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 263 and 264.	<p>Refer to Electricity Compliance Reporting Manual No. 263 and 264.</p> <p>Western Power's complaint handling process informs small use customer of their right to refer to their complaint to the Energy Ombudsman if it is not resolved to their satisfaction.</p> <p><b>Conclusion: Compliant</b></p>	5
450.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 26	A distributor or transmitter must arrange for an independent audit and report on its systems for monitoring, and its compliance with specific requirements. This is to be carried out in respect of the operation of such systems during each year ending on 30 June.	Distribution, Transmission	2	Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Audit requirement in branch governance plan.</li> <li>• Responsible person has been assigned to coordinate the audit.</li> <li>• Annual systems audit report</li> </ul>	<ol style="list-style-type: none"> <li>1. For each year, obtain a copy of the independent audit report.</li> <li>2. Discuss appointment procedures for auditor to ensure independence of auditor.</li> </ol>	<ol style="list-style-type: none"> <li>1. We obtained and inspected the 2008 and 2009 reports issued by Stantons International titled "Review of Network Quality and Reliability of Supply Performance Reporting". The independent audits performed comply with this obligation.</li> <li>2. Discussed appointment procedures with the Manager Compliance. The proposal submitted by applicants for the audit includes a declaration of any conflicts and potential conflicts of interest.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
451.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 27(1)	A distributor or transmitter must prepare and publish a report about its performance in accordance with specified requirements.	Distribution, Transmission	2	Moderate	Likely	High	Strong	4		<ul style="list-style-type: none"> <li>Annual performance report</li> <li>Strategy and Corporate Affairs' Compliance Manual</li> <li>Checklist item</li> <li>Responsible person assigned for preparation of report</li> <li>Metering Business System (MBS)</li> <li>Data warehouse</li> <li>CUSREMS</li> </ul>	<p>Obtain a copy of the 30 June 2008 and 30 June 2009 Annual Network Quality and Reliability Code Reports.</p> <p>Check that the reports:</p> <ul style="list-style-type: none"> <li>- contain the required information;</li> <li>- were submitted to the Minister and Authority not less than 7 days prior to being published; and</li> <li>- were published by 1 October. Obtain supporting evidence.</li> </ul>	<p>The 2008 Annual Network Quality and Reliability Code Report, required per Section 27 and 28 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005, was published on 30 September 2008.</p> <p>The 2009 Annual Network Quality and Reliability Report was published on 1 October 2009.</p> <p><b>Conclusion: Compliant</b></p>	5
452.	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 27(3)	A distributor or transmitter must give a copy of its report about its performance to the Minister and the Authority within the specified period.	Distribution, Transmission	2	Moderate	Likely	Medium	Weak	1	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>Annual performance report</li> <li>Strategy and Corporate Affairs' Compliance Manual</li> <li>Checklist item</li> <li>Responsible person assigned for preparation of report</li> <li>Metering Business System (MBS)</li> <li>Data warehouse</li> <li>CUSREMS</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 451.	<p>The 2008 Annual Network Quality and Reliability Code Report, required per Section 27 and 28 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 was submitted on 23 September 2009.</p> <p>The 2009 Annual Network Quality and Reliability Code Report was submitted on 24 September 2009, in accordance with the specified timeframes.</p> <p><b>Conclusion: Compliant</b></p>	5
<b>ETL2</b>															
	Distribution Licence condition 4.1 Transmission Licence condition 4.1	Distribution Licence condition 4.1 Transmission Licence condition 4.1	The licensee must pay the applicable fees in accordance with the Regulations	Distribution, Transmission		Minor	Likely	Medium	Weak	3	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>Register of fees</li> <li>Responsible person assigned to manage fee payments</li> <li>Compliance Management Plan for Strategy &amp; Corporate Affairs Division.</li> <li>Checklist of all time-bound compliance items and deadlines.</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place for managing licence fees and payment.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Obtain a list of all licence fees for the audit scope period for testing.</li> </ol> <p>Trace to the invoice or relevant supporting evidence to validate that fees have been paid within the payment terms.</p>	<ol style="list-style-type: none"> <li>Performed a walkthrough in relation to Licence fees and payment. A register of fees is maintained by Assistant to the General Manager Strategy and Corporate Affairs.</li> <li>Obtained a copy of the register of fees.</li> <li>Obtained the list of all licence fees and sample testing performed identified 1 exception.</li> </ol> <p>The 2008 Licence fee was paid on 27 May 2008 and Western Power's Licence anniversary date is 30 March. Therefore the payment was not paid within 1 month after the anniversary date of the Licence as prescribed by this Licence condition. Exception noted.</p> <p><b>Conclusion: Non compliant</b></p>	2

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Distribution Licence condition 5.1 Transmission Licence condition 5.1	Subject to any modifications or exemptions granted pursuant to the Act, the licensee must comply with any applicable legislation including, but not limited to, the Electricity Industry Customer Transfer Code 2004, Electricity Industry Metering Code 2005, Electricity Industry (Network Quality and Reliability of Supply) Code 2005 and the Code of Conduct for the Supply of Electricity to Small Use Customers 2004.	Distribution, Transmission		Moderate	Likely	High	Weak	1		<ul style="list-style-type: none"> <li>All controls identified within this audit program</li> </ul>	Obtain written confirmation from retailers to identify whether Western Power failed to comply with any of its licence or Code obligations during the audit scope period.	<p>Refer to all test results from this audit, i.e. Electricity Compliance Reporting Manual No. 1 to 452.</p> <p>Alinta and Synergy identified instances where they believed Western Power failed to comply with its Licence or Code obligations. These instances were investigated by Western Power and have been noted within this report.</p> <p>This licence condition encompasses all obligations within this Audit Program (Appendix A). Refer to individual obligations for the compliance ratings assigned.</p> <p><b>Conclusion: Not rated</b></p>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 5.2 Transmission Licence condition 5.2	Distribution Licence condition 5.2 Transmission Licence condition 5.2	Subject to the provisions of any applicable legislation, the Authority may direct the licensee in writing to do any measure necessary to:  (a) correct the breach of any applicable legislation; or  (b) prevent the breach of any applicable legislation occurring again,  and specify a time limit by which such action must be taken.	Distribution, Transmission		Moderate	Likely	High	Weak	1		<ul style="list-style-type: none"> <li>• Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Authority.</li> <li>• Corporate Compliance Manager has provided formal presentations on compliance obligations to staff.</li> <li>• Breach register</li> <li>• Quarterly Compliance Report to the Finance and Risk Committee</li> <li>• Annual Compliance Report</li> </ul>	<ol style="list-style-type: none"> <li>1. Walkthrough the processes and controls in place to prevent, monitor, detect and resolve breaches.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>3. Examine the breach register, Quarterly Compliance Reports and Annual Compliance Report to identify whether there have been any material breaches of the licence obligations during the audit scope period.</li> <li>4. Verify whether the: <ol style="list-style-type: none"> <li>a. breaches reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>b. recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>5. Determine whether breaches reported in the 2009 Annual Compliance Report are consistent with the breaches identified from this performance audit.</li> <li>6. Examine the controls established to prevent the reported breaches from recurring and test them to determine if they are operating effectively.</li> </ol>	<ol style="list-style-type: none"> <li>1. Walked through the breach prevention, monitoring, detection, management and resolution processes with the Manager Compliance.  A responsible person has been assigned within each business area to report and monitor any non-compliance and coordinate resolution actions. A breach register is maintained by the Manager Compliance. Breaches identified are formally reported in the Quarterly Compliance Reports to the Finance and Risk Committee and the Annual Compliance Report to the Authority.</li> <li>2. Obtained a copy of the Legislative &amp; Regulatory Compliance Framework, Legislative &amp; Regulatory Compliance Policy and Compliance Failure Reporting procedures.</li> <li>3. Examination of the breach register and Quarterly and Annual Compliance Reports for the audit period identified that Western Power has reported breaches. However none were reported as a material breach.</li> <li>4. <ol style="list-style-type: none"> <li>a. Western Power has corrected 13 of 17 breaches reported from the 2008 Licence performance audit. We noted that Western Power is working to correcting the remaining breaches. Refer to section 3 of the report for details.</li> <li>b. Recommendations made and post-audit action plans have been implemented by Western Power for the 13 breaches corrected. We noted that Western Power is working to implement or identify an appropriate resolution for the unresolved breaches. Refer to section 3 of the report for details.</li> </ol> </li> <li>5. We examined the 2009 Annual Compliance Report and noted that it is consistent with the findings from this performance audit, however we have identified additional findings which have not been reported by Western Power.</li> <li>6. Refer to section 3 of the report for details.</li> </ol> <p><b>Conclusion: Compliant</b></p>	3

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 6.1 Transmission Licence condition 6.1	Distribution Licence condition 6.1 Transmission Licence condition 6.1	This licence may be transferred only in accordance with the Act.	Distribution, Transmission									Not applicable.	Conclusion: Not applicable	N/A
	Distribution Licence condition 7.1 Transmission Licence condition 7.1	Distribution Licence condition 7.1 Transmission Licence condition 7.1	This licence may be cancelled only in accordance with the Act.	Distribution, Transmission									Not applicable.	Conclusion: Not applicable	N/A
	Distribution Licence condition 8.1 Transmission Licence condition 8.1	Distribution Licence condition 8.1 Transmission Licence condition 8.1	The licensee may surrender the licence at any time by written notice to the Authority.	Distribution, Transmission									Not applicable.	Conclusion: Not applicable	N/A
	Distribution Licence condition 8.2 Transmission Licence condition 8.2	Distribution Licence condition 8.2 Transmission Licence condition 8.2	The surrender of the licence will take effect on the day that the Authority publishes a notice of the surrender in the Gazette.	Distribution, Transmission									Not applicable.	Conclusion: Not applicable	N/A
	Distribution Licence condition 8.3 Transmission Licence condition 8.3	Distribution Licence condition 8.3 Transmission Licence condition 8.3	The licensee will not be entitled to a refund of any fees by the Authority.	Distribution, Transmission									Not applicable.	Conclusion: Not applicable	N/A
	Distribution Licence condition 9.1 Transmission Licence condition 9.1	Distribution Licence condition 9.1 Transmission Licence condition 9.1	This licence may be renewed only in accordance with the Act.	Distribution, Transmission									Not applicable.	Conclusion: Not applicable	N/A
	Distribution Licence condition 10.1 Transmission Licence condition 10.1	Distribution Licence condition 10.1 Transmission Licence condition 10.1	The licensee may apply to the Authority to amend the licence in accordance with the Act.	Distribution, Transmission		Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Manager Compliance and Manager Regulation and Compliance has been assigned responsibility for the Electricity Distribution Licence (EDL1) and Electricity Transmission Licence (ETL2)</li> </ul>	<p>Enquire whether Western Power has applied for any amendments to their Licences during the audit scope period.</p> <p>If so, obtain supporting evidence to check whether the Authority:</p> <ol style="list-style-type: none"> <li>provided written notice of the proposed amendments under consideration;</li> <li>allowed 15 business days for Western Power to make submissions on the proposed amendments; and</li> <li>took into consideration those submissions.</li> </ol>	<p>Enquiries made with the Manager compliance identified that Western Power amended its Distribution (EDL1) and Transmission (ETL2) Licence as follows:</p> <ul style="list-style-type: none"> <li>Inserted "unless otherwise directed by the Authority" into clause 25.2. Amendment made 22 September 2006.</li> </ul> <p>We inspected the letter from the Authority in relation to the amendment and noted that the requirements of this Licence condition were met.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 11.1 Transmission Licence condition 11.1	Distribution Licence condition 11.1 Transmission Licence condition 11.1	Subject to any applicable legislation, the Authority may amend the licence at any time in accordance with this clause.	Distribution, Transmission		Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Manager Compliance and Manager Regulation and Compliance has been assigned responsibility for the Electricity Distribution Licence (EDL1) and Electricity Transmission Licence (ETL2)</li> </ul>	Enquire whether the Authority has amended the Licence at its discretion during the audit scope period.	Discussions with the Manager Compliance noted that the Authority amended the definition of "customer" on 29 January 2009.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 11.2 Transmission Licence condition 11.2	Distribution Licence condition 11.2 Transmission Licence condition 11.2	<p>Before amending the licence under clause 11.1, the Authority must:</p> <p>(a) provide the licensee with written notice of the proposed amendments under consideration by the Authority;</p> <p>(b) allow 15 business days for the licensee to make submissions on the proposed amendments; and</p> <p>(c) take into consideration those submissions.</p>	Distribution, Transmission		Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>• Manager Compliance and Manager Regulation and Compliance has been assigned responsibility for the Electricity Distribution Licence (EDL1) and Electricity Transmission Licence (ETL2)</li> <li>• Business processes to amend the licence</li> </ul>	Refer to audit procedures performed for Licence condition 10.1	Refer to Licence condition 10.1.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 11.3 Transmission Licence condition 11.3	Distribution Licence condition 11.3 Transmission Licence condition 11.3	This clause also applies to the substitution of the existing licence.	Distribution, Transmission									Not applicable.	<b>Conclusion: Not applicable</b>	N/A
	Distribution Licence condition 11.4 Transmission Licence condition 11.4	Distribution Licence condition 11.4 Transmission Licence condition 11.4	For avoidance of doubt, the licensee will not have to pay an associated application fee or licence fee for the purpose of clause 11.1.	Distribution, Transmission		Minor	Probable	Low	Strong	5		<ul style="list-style-type: none"> <li>• Manager Compliance and Manager Regulation and Compliance has been assigned responsibility for the Electricity Distribution Licence (EDL1) and Electricity Transmission Licence (ETL2)</li> <li>• Business processes to amend the licence</li> </ul>	Enquire whether any fees were paid in relation to amending the Licence.	Discussions with the Manager Compliance noted that Western Power was not required to and did not pay any fees for amending its Licence.  <b>Conclusion: Compliant</b>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 15.1 Transmission Licence condition 12.1	Distribution Licence condition 15.1 Transmission Licence condition 12.1	The licensee must submit to the Coordinator a draft extension and expansion policy within three months after a written request by the Coordinator or other such time as allowed by the Coordinator.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Extension and Expansion Policy</li> <li>Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Coordinator</li> <li>Extension and expansion policy review process</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 90.	Refer to Electricity Compliance Reporting Manual No. 90.  <b>Conclusion: Not rated</b>	N/R
	Distribution Licence condition 15.2 Transmission Licence condition 12.2	Distribution Licence condition 15.2 Transmission Licence condition 12.2	The licensee must comply with any direction given to the licensee by the Coordinator to: (a) amend the draft extension and expansion policy; or (b) submit an amendment to the approved extension and expansion policy, within the time specified by the Coordinator.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Extension and Expansion Policy</li> <li>Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Coordinator</li> <li>Extension and expansion policy review process</li> </ul>	<p>Enquire whether the Coordinator has given any directions to amend the draft or approved extension and expansion policy.</p> <p>If so, check that the amendment(s) addressed the Coordinator's directions and was submitted within the specified timeframe.</p>	Western Power did not receive any direction from the Coordinator during the audit scope period to amend its extension and expansion policy.  <b>Conclusion: Not rated</b>	N/R
	Distribution Licence condition 15.3 Transmission Licence condition 12.3	Distribution Licence condition 15.3 Transmission Licence condition 12.3	The licensee must comply with an extension and expansion policy that has been approved by the Coordinator in accordance with the Act.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Extension and Expansion Policy</li> <li>Manager Regulation &amp; Pricing is responsible for coordinating responses to formal notices received from the Coordinator</li> <li>Extension and expansion policy review process</li> </ul>	<p>Discuss with key personnel, the processes and controls in place to monitor compliance with the extension and expansion policy.</p> <p>Enquire whether any breaches of the extension and expansion policy have occurred during the audit scope period.</p>	<p>Discussed the process with the Open Access Engineer. Amendments to the Electricity Networks Access Code 2004 of 29 June and 29 August 2007 have made the previously approved Extension and Expansion Policy redundant.</p> <p>Discussions with management noted that the Authority has issued its initial decision to the proposed Access Code changes and Western Power has not been informed of any objections. At the time of the audit, Western Power was awaiting the Authority's final decision.</p> <p>Compliance with the Capital Contributions Policy is monitored by the Open Access Engineer and any breaches identified are reported to the Manager Compliance in accordance with Western Power's compliance breach reporting process. Our enquiries noted that there were no breaches during the audit period.</p> <p><b>Conclusion: Not applicable</b></p>	N/A

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 15.4 Transmission Licence condition 12.4	Distribution Licence condition 15.4 Transmission Licence condition 12.4	Until an extension and expansion policy has been approved by the Coordinator, the licensee may expand or reduce the distribution system if the relevant expansion or reduction is provided for in the asset management system.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Extension and Expansion Policy</li> <li>• Manager Regulation and Pricing has been assigned to manage, monitor and respond to all directions received from or provided by the Coordinator</li> <li>• Extension and expansion policy review process</li> </ul>	Tested at Licence Condition 103	Refer to Electricity Compliance Reporting Manual No. 103.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 15.5 Transmission Licence condition 12.5	Distribution Licence condition 15.5 Transmission Licence condition 12.5	If the relevant expansion or reduction is not provided for in the asset management system, the licensee must amend the asset management system before the expansion or reduction under clause 15.4 (distribution) / 12.4 (transmission) of this licence and notify the Authority in accordance with clause 19.2 (distribution) / 16.2 (transmission) of this licence.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Extension and Expansion Policy</li> <li>• Manager Regulation and Pricing has been assigned to manage, monitor and respond to all directions received from or provided by the Coordinator</li> <li>• Extension and expansion policy review process</li> <li>• Asset Management System.</li> <li>• PAS-55 (UK) standards</li> <li>• Asset Management System policy and procedures.</li> <li>• Performance reporting.</li> <li>• Asset Management System audit</li> </ul>	Tested at Licence Condition 103	Refer to Electricity Compliance Reporting Manual No. 103.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 15.6 Transmission Licence condition 12.6	Distribution Licence condition 15.6 Transmission Licence condition 12.6	Subject to a contrary provision in an extension and expansion policy, the licensee must not expand the distribution system outside the licence area.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Extension and Expansion Policy</li> <li>• Asset Management System.</li> <li>• PAS-55 (UK) standards</li> <li>• Asset Management System policy and procedures.</li> <li>• Performance reporting.</li> </ul>	Tested at Licence Condition 103	Refer to Electricity Compliance Reporting Manual No. 103.  <b>Conclusion: Compliant</b>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 15.7 Transmission Licence condition 12.7	Distribution Licence condition 15.7 Transmission Licence condition 12.7	The licensee must pay any applicable fees in accordance with the Regulations.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Compliance Management Plan for Strategy &amp; Corporate Affairs Division.</li> <li>Checklist of all time-bound compliance items and deadlines.</li> </ul>	Refer to audit procedures performed for Licence condition 4.1.	Sample testing of expansions identified and enquiry with the Asset Business Systems Manager identified that no fees were paid. No exceptions noted.  <b>Conclusion: Not rated</b>	N/R
	Distribution Licence condition 16.1 Transmission Licence condition 13.1	Distribution Licence condition 16.1 Transmission Licence condition 13.1	The licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	Distribution, Transmission		Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Annual audited financial statements</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 105.	Refer to Electricity Compliance Reporting Manual No. 105.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 17.1 Transmission Licence condition 14.1	Distribution Licence condition 17.1 Transmission Licence condition 14.1	Performance standards are contained in applicable legislation.	Distribution, Transmission		Moderate	Likely	High	Strong	2		<ul style="list-style-type: none"> <li>Metering Business System (MBS)</li> <li>Functional specifications</li> <li>System operational processes</li> <li>B2B processes</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 106.	Refer to Electricity Compliance Reporting Manual No. 106.  <b>Conclusion: Not applicable</b>	N/A
	Distribution Licence condition 17.2 Transmission Licence condition 14.2	Distribution Licence condition 17.2 Transmission Licence condition 14.2	The Authority may prescribe individual performance standards in relation to the licensee of its obligations under this licence or the applicable legislation.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Manager Regulation and Pricing has been assigned to manage, monitor and respond to all directions received from or provided by the Coordinator</li> <li>Annual performance report</li> </ul>	Enquire whether the Authority has prescribed any performance standards for Western Power.  If so, validate against supporting evidence that they are included as additional obligations and monitored for compliance.	Enquiries made and discussions with the Manager Compliance and Team Leader Reporting Analysis and Reliability noted that the Authority has not prescribed any individual performance standards for Western Power.  <b>Conclusion: Not applicable</b>	N/A
	Distribution Licence condition 17.3 Transmission Licence condition 14.3	Distribution Licence condition 17.3 Transmission Licence condition 14.3	Before approving any individual performance standards under this clause, the Authority will:  (a) provide the licensee with a copy of the proposed individual performance standards;  (b) allow 15 business days for the licensee to make submissions on the proposed individual performance standards; and  (c) take into consideration those submissions.	Distribution, Transmission									Not applicable. The obligation under condition relates to actions imposed on the Authority.	Not applicable. The obligation under condition relates to actions imposed on the Authority.  <b>Conclusion: Not applicable</b>	N/A

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 17.4 Transmission Licence condition 14.4	Distribution Licence condition 17.4 Transmission Licence condition 14.4	Once approved by the Authority, the performance standards are included as additional terms and conditions to this licence.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Manager Regulation and Pricing has been assigned to manage, monitor and respond to all directions received from or provided by the Coordinator</li> <li>• Annual performance report</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 106.	Refer to Electricity Compliance Reporting Manual No. 106.  <b>Conclusion: Not applicable</b>	N/A
	Distribution Licence condition 18.1 Transmission Licence condition 15.1	Distribution Licence condition 18.1 Transmission Licence condition 15.1	The licensee must, unless otherwise notified in writing by the Authority, provide the Authority with a performance audit within 24 months after the commencement date, and every 24 months thereafter.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Appointment and ERA approval of Ernst &amp; Young.</li> <li>• Manager Compliance has been assigned responsibility for coordinating the performance audit.</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 81.	Refer to Electricity Compliance Reporting Manual No. 81.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 18.2 Transmission Licence condition 15.2	Distribution Licence condition 18.2 Transmission Licence condition 15.2	The licensee must comply, and must require the licensee's auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit, including any minimum requirements relating to the appointment of the auditor, the scope of the audit, the conduct of the audit and the reporting of the results of the audit.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Appointment and ERA approval of Ernst &amp; Young as external auditors for the performance audit</li> <li>• Performance Audit - Audit Plan and Audit Program approved by the Authority</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 107.	Refer to Electricity Compliance Reporting Manual No. 107.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 18.3 Transmission Licence condition 15.3	Distribution Licence condition 18.3 Transmission Licence condition 15.3	The licensee may seek a review of any of the requirements of the Authority's standard audit guidelines in accordance with clause 24.1.	Distribution, Transmission		Minor	Probable	Low	Strong	5		<ul style="list-style-type: none"> <li>• Manager Compliance is responsible for coordinating responses to formal notices received from the Coordinator</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Licence condition 24.1 (distribution) / 21.1 (transmission).</li> <li>2. Enquire whether Western Power has requested a review of the Authority's standard audit guidelines requirements.  If so, examine supporting documentation that the review was performed by the Authority.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to Distribution Licence condition 24.1 and Transmission Licence condition 21.1.</li> <li>2. Based on discussions with the Manager Compliance, Western Power did not request for a review of the Authority's standard audit guidelines requirements during the audit period.  <b>Conclusion: Not rated</b></li> </ol>	N/R

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 18.4 Transmission Licence condition 15.4	Distribution Licence condition 18.4 Transmission Licence condition 15.4	The independent auditor may be nominated by the licensee but must be approved by the Authority prior to the audit pursuant to clause 18.1 (distribution) / 15.1 (transmission). Should the Authority reject the licensee's nomination of an independent auditor twice or, in the event that no nomination has been made by the licensee within 1 month of the date the audit was due, the Authority may choose an independent auditor who will conduct the audit.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Appointment and ERA approval of Ernst &amp; Young.</li> <li>Manager Compliance has been assigned responsibility for coordinating the performance audit.</li> </ul>	<ol style="list-style-type: none"> <li>Obtain supporting evidence of Ernst &amp; Young's appointment as the independent auditors for the 2009 performance audit.</li> <li>Check that the Ernst &amp; Young's appointment has been approved by the Authority and validate to supporting evidence.</li> </ol>	<ol style="list-style-type: none"> <li>Obtained a copy of the Authority's letter dated 23 July 2009, approving Ernst &amp; Young to conduct the Licence performance audit for the audit period 1 April 2008 to 31 October 2009.</li> <li>We obtained a copy of 2008 performance audit report from the Authority's website.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
	Distribution Licence condition 19.1 Transmission Licence condition 16.1	Distribution Licence condition 19.1 Transmission Licence condition 16.1	The licensee must provide for, and notify the Authority of, an asset management system in relation to the distribution system within 2 business days from the commencement date or from the completion of construction of the distribution system, whichever is later.	Distribution, Transmission		Moderate	Likely	High	Weak	1	Breach - 2008 Performance Audit	<ul style="list-style-type: none"> <li>Asset Management System.</li> <li>PAS-55 (UK) standards</li> <li>Asset Management System policy and procedures.</li> <li>Performance reporting.</li> <li>Asset Management System audit</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 82.	Refer to Electricity Compliance Reporting Manual No. 82.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 19.2 Transmission Licence condition 16.2	Distribution Licence condition 19.2 Transmission Licence condition 16.2	The licensee must notify the Authority of any material change to the asset management system within 10 business days of such change.	Distribution, Transmission		Moderate	Likely	High	Moderate	2		<ul style="list-style-type: none"> <li>Asset Management System</li> <li>PAS-55 (UK) standards</li> <li>Asset Management System policy and procedures</li> <li>Performance reporting</li> <li>Asset Management System audit</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 83.	Refer to Electricity Compliance Reporting Manual No. 83.  <b>Conclusion: Not rated</b>	N/R
	Distribution Licence condition 19.3 Transmission Licence condition 16.3	Distribution Licence condition 19.3 Transmission Licence condition 16.3	The licensee must, unless otherwise notified in writing by the Authority, provide the Authority with a report as to the effectiveness of the asset management system within 24 months after the commencement date and every 24 months thereafter.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Asset Management System</li> <li>PAS-55 (UK) standards</li> <li>Asset Management System policy and procedures</li> <li>Performance reporting</li> <li>Asset Management System audit</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 84.	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 84.  <b>Conclusion: Compliant</b>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 19.4 Transmission Licence condition 16.4	Distribution Licence condition 19.4 Transmission Licence condition 16.4	The licensee must comply, and must require the licensee's expert to comply, with the Authority's standard guidelines dealing with the asset management system, including any minimum requirements relating to the appointment of the expert, the scope of the review, the conduct of the review and the reporting of the results of the review.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Asset Management System audit</li> <li>Asset Management System Performance Audit Plan and Audit Program</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 108.	Refer to Electricity Compliance Reporting Manual No. 108.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 19.5 Transmission Licence condition 16.5	Distribution Licence condition 19.5 Transmission Licence condition 16.5	The licensee may seek a review of any of the requirements of the Authority's standard guidelines dealing with the asset management system in accordance with clause 24.1 (distribution) / 21.1 (transmission).	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Manager Compliance is responsible for coordinating responses to formal notices received from the Coordinator</li> </ul>	Refer to audit procedures performed for Licence condition 24.1 (distribution) / 21.1 (transmission).	Refer to Distribution Licence condition 24.1 and Transmission Licence condition 21.1.  <b>Conclusion: Not rated</b>	N/R
	Distribution Licence condition 19.6 Transmission Licence condition 16.6	Distribution Licence condition 19.6 Transmission Licence condition 16.6	The independent expert may be nominated by the licensee but must be approved by the Authority prior to the review pursuant to clause 19.3 (distribution) / 16.3 (transmission). Should the Authority reject the licensee's nomination of an independent expert twice or, in the event that no independent expert has been nominated by the licensee within 1 month of the date the review was due, the Authority may choose an independent expert who will conduct the review.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Appointment of Lloyds Register (UK) as the external auditors for the asset management system review.</li> <li>Asset Investment and Risk Manager has been assigned responsibility for coordinating the performance audit.</li> </ul>	<p>Enquire whether an independent expert has been appointed to perform a review of the effectiveness of the asset management system.</p> <p>Check that the appointment of the independent expert has been approved by the Authority by validating to supporting evidence.</p>	<p>Enquiries made with the Manager Compliance noted that Lloyd's Register has been appointed to perform the review of the effectiveness of the asset management system.</p> <p>Obtained a copy of the letter with the Authority's approval dated 24 July 2009, for Lloyd's Register to perform Western Power's 2009 asset management effectiveness review. The review covers the 2008 and 2009 period from 1 April 2008 to 31 October 2009.</p> <p><b>Conclusion: Compliant</b></p>	5
	Distribution Licence condition 20.1 Transmission Licence condition 17.1	Distribution Licence condition 20.1 Transmission Licence condition 17.1	<p>The licensee must report to the Authority:</p> <p>(a) if the licensee is under external administration as defined by the Corporations Act 2001 (Cwlth) within 2 business days; or</p> <p>(b) if the licensee experiences a significant change in the licensee's corporate, financial or technical circumstances upon which this licence was granted which may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring.</p>	Distribution, Transmission		Major	Probable	High	Strong	2		<ul style="list-style-type: none"> <li>Quarterly Compliance Report to Finance and Risk Committee</li> <li>Annual performance report</li> <li>Annual audited financial statements</li> <li>Monthly financial reporting</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 109.	Refer to Electricity Compliance Reporting Manual No. 109.  <b>Conclusion: Compliant</b>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 21.1 Transmission Licence condition 18.1	Distribution Licence condition 21.1 Transmission Licence condition 18.1	The licensee must provide to the Authority any information that the Authority may require in connection with its functions under the Act in the time, manner and form specified by the Authority.	Distribution, Transmission		Moderate	Likely	High	Strong	2	Improvement opportunity - 2008 Performance Audit	• Manager Compliance is responsible for coordinating responses to formal notices received from the Coordinator	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 110.	Refer to Electricity Compliance Reporting Manual No. 110.  Annually, the Authority sends data sheets to Western Power via email to provide annual performance data. The Manager Compliance is responsible for collating the data and performs the following processes: <ul style="list-style-type: none"> <li>▶ Data sheets are converted to an Excel spreadsheet format and expanded to enable monthly figures to be reported.</li> <li>▶ Spreadsheet is emailed to the relevant business (division) to input performance results.</li> <li>▶ Results and figures returned by each business division is verified with the relevant Manager.</li> <li>▶ Data sheets are reviewed by the General Manager Customer Services.</li> <li>▶ Data sheets are submitted to the Authority.</li> </ul> <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 22.1 Transmission Licence condition 19.1	Distribution Licence condition 22.1 Transmission Licence condition 19.1	The Authority may direct the licensee to publish any information within a specified timeframe it considers relevant in connection with the licensee or the performance by the licensee of its obligations under this licence.	Distribution, Transmission		Minor	Likely	Medium	Strong	4	Improvement opportunity - 2008 Performance Audit	• Manager Compliance is responsible for coordinating responses to formal notices received from the Coordinator	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 111.	Refer to Electricity Compliance Reporting Manual No. 111.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 22.2 Transmission Licence condition 19.2	Distribution Licence condition 22.2 Transmission Licence condition 19.2	Subject to clause 22.3 (distribution) / 20.3 (transmission), the licensee must publish the information referred to in clause 22.1 (distribution) / 20.1 (transmission).	Distribution, Transmission		Minor	Likely	Medium	Strong	4	Improvement opportunity - 2008 Performance Audit	• Manager Compliance is responsible for coordinating responses to formal notices received from the Coordinator	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 111.	Refer to Electricity Compliance Reporting Manual No. 111.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 22.3 Transmission Licence condition 19.3	Distribution Licence condition 22.3 Transmission Licence condition 19.3	If the licensee considers that the information is confidential it must: (a) immediately notify the Authority; and (b) seek a review of the Authority's decision in accordance with clause 24.1 (distribution) / 21.1 (transmission).	Distribution, Transmission		Moderate	Probable	Medium	Strong	4	Improvement opportunity - 2008 Performance Audit	• Manager Compliance is responsible for coordinating responses to formal notices received from the Coordinator	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 111.	Refer to Electricity Compliance Reporting Manual No. 111.  <b>Conclusion: Compliant</b>	5

No.	Licence condition	Obligations under Condition	Description	Licencee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 22.4 Transmission Licence condition 19.4	Distribution Licence condition 22.4 Transmission Licence condition 19.4	Once it has reviewed the decision, the Authority will direct the licensee in accordance with the review to:  (a) publish the information;  (b) publish the information with the confidential information removed or modified; or  (c) not publish the information.	Distribution, Transmission									Not applicable. The obligation under condition relates to actions imposed on the Authority.	Not applicable. The obligation under condition relates to actions imposed on the Authority.  <b>Conclusion: Not applicable</b>	N/A
	Distribution Licence condition 23.1 Transmission Licence condition 20.1	Distribution Licence condition 23.1 Transmission Licence condition 20.1	Unless otherwise specified, all notices must be in writing.	Distribution, Transmission		Minor	Likely	Medium	Strong	4	Improvement opportunity - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Manager Compliance is responsible for coordinating responses to formal notices received from the Coordinator</li> </ul>	Refer to audit procedures performed for Electricity Compliance Reporting Manual No. 112.	Refer to Electricity Compliance Reporting Manual No. 112.  <b>Conclusion: Compliant</b>	5
	Distribution Licence condition 23.2 Transmission Licence condition 20.2	Distribution Licence condition 23.2 Transmission Licence condition 20.2	A notice will be regarded as having been sent and received:  (a) when delivered in person to the addressee; or  (b) 3 business days after the date of posting if the notice is posted in Western Australia; or  (c) 5 business days after the date of posting if the notice is posted outside Western Australia; or  (d) if sent by facsimile when, according to the sender's transmission report, the notice has been successfully received by the addressee; or  (e) if sent by email when, according to the sender's electronic record, the notice has been successfully sent to the addressee's electricity licensing email address.	Distribution, Transmission		Minor	Likely	Medium	Strong	4		<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Communication rules</li> <li>• CUSREMS</li> <li>• Metering Business System (MBS)</li> </ul>	<ol style="list-style-type: none"> <li>1. Discuss with key personnel, the process for sending and receiving notices in accordance with the established guidelines and timeframes.</li> <li>2. Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> </ol>	<ol style="list-style-type: none"> <li>1. Directions and notices received from the Authority are managed by the Manager Compliance. Every direction or notice received is recorded in the ERA Correspondence spreadsheet. In response to the notice, the Manager Compliance sends an email response, which includes a cover letter and the requested information, to the Authority representative who issued the direction or notice.</li> <li>2. We obtained the register of Authority correspondence and notices.</li> </ol> <b>Conclusion: Compliant</b>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 24.1 Transmission Licence condition 21.1	Distribution Licence condition 24.1 Transmission Licence condition 21.1	The licensee may seek a review of a reviewable decision by the Authority pursuant to this licence in accordance with the following procedure:  (a) the licensee shall make a submission on the subject of the reviewable decision within 10 business days (or other period as approved by the Authority) of the decision; and  (b) the Authority will consider the submission and provide the licensee with a written response within 20 business days.	Distribution, Transmission		Moderate	Probable	Medium	Strong	4		<ul style="list-style-type: none"> <li>Manager Compliance is responsible for coordinating responses to formal notices received from the Coordinator</li> </ul>	<p>Enquire whether Western Power submitted a request to review:</p> <ul style="list-style-type: none"> <li>- a reviewable decision made by the Authority; or</li> <li>- the requirements of the Authority's standard guidelines during the audit scope period.</li> </ul> <p>If so, select a sample of 25 for testing to determine whether Western Power:</p> <ol style="list-style-type: none"> <li>made a submission within 10 business days (or other period as approved by the Authority) of the decision; and</li> <li>the Authority provided a written response within 20 business days.</li> </ol>	<p>Based on discussions with the Manager Compliance, Western Power did not submit any requests to review a reviewable decision made by the Authority or the requirements of the Authority's standard guidelines during the audit period.</p> <p><b>Conclusion: Not rated</b></p>	N/R
	Distribution Licence condition 24.2 Transmission Licence condition 21.2	Distribution Licence condition 24.2 Transmission Licence condition 21.2	For the avoidance of doubt, this clause does not apply to a decision of the Authority pursuant to the Act, nor does it restrict the licensee's right to have a decision of the Authority reviewed in accordance with the Act.	Distribution, Transmission		Minor	Probable	Low	Strong	5		<ul style="list-style-type: none"> <li>Manager Compliance is responsible for coordinating responses to formal notices received from the Coordinator</li> </ul>	<p>Refer to audit procedures performed for Licence condition 23.1 (distribution) / 20.1 (transmission).</p>	<p>Refer to Distribution Licence condition 23.1 and Transmission Licence condition 20.1.</p> <p><b>Conclusion: Compliant</b></p>	5
	Distribution Licence condition 25.1 Transmission Licence condition 22.1	Distribution Licence condition 25.1 Transmission Licence condition 22.1	The licensee must have an approved trouble call fault management plan.	Distribution, Transmission		Minor	Likely	Medium	Weak	3	Breach (ETL2) - 2008 Performance Audit	<ul style="list-style-type: none"> <li>Trouble call fault management plan</li> <li>Service level agreement between Western Power and outsourced provider</li> </ul>	<ol style="list-style-type: none"> <li>Walkthrough the processes and controls in place for trouble call fault management and implementation of the trouble call fault management plan.</li> <li>Obtain a copy of documented policies, procedures and other relevant supporting documentation.</li> <li>Verify whether the: <ol style="list-style-type: none"> <li>breach reported from the 2008 performance audit has been corrected and within the specified timeframe.</li> <li>recommendations and post-audit implementation plan actions have been implemented.</li> </ol> </li> <li>Obtain and inspect the approved trouble call fault management plan to verify whether the plan includes procedures for establishing a trouble call fault management system and the timeframe for completion.</li> <li>Check that the trouble call fault management plan has been approved by the Authority by validating to supporting evidence.</li> </ol>	<ol style="list-style-type: none"> <li>We performed a walkthrough of trouble call fault management with the Manager Customer Assist. <ul style="list-style-type: none"> <li>The Trouble Call Management System (TCMS) was replaced by the Trouble Call System (TCS) on 5 September 2008. TCS is the central system which maintains the network fault database.</li> <li>Trouble call fault management is a fault call taking service. Western Power has been responsible for this fault call taking service from 23 March 2009. The service was previously managed by Synergy which was covered by a service level agreement between Western Power and Synergy. This agreement expired on 30 March 2009.</li> <li>The Trouble Call Fault Management Plan has been implemented. The plan includes information regarding the outage management process, call handling statistics, objectives of fault call handling, projected milestones, tasks and a high level timetable. We noted</li> </ul> </li> </ol>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
														<p>that the Trouble Call Fault Management Plan applies to distribution only and does not include transmission. Non compliance noted.</p> <p>The purpose of the plan was to describe the process Western Power would take to establish a trouble call fault management system with the target date set at 1 April 2009. We noted that Western Power commenced handling fault calls from 23 March 2009.</p> <ul style="list-style-type: none"> <li>▶ Based on discussions, we noted that Western Power has no intentions to outsource its trouble call fault management system.</li> <li>▶ Western Power has complied with this interim Licence condition. As a result, Western Power sent a letter to the Authority on 7 April 2009 to request that the Authority amend clause 25 and clause 23 of the Distribution and Transmission Licence respectively.</li> <li>▶ A second letter was sent to the Authority, dated 31 August 2009, requesting that the Distribution Licence clause 25 and Transmission Licence clause 23 be changed to the following: <ul style="list-style-type: none"> <li>▶ The licensee will operate and maintain a trouble call fault management system.</li> <li>▶ The licensee must provide prior notification to the Authority if it intends to outsource its trouble call fault management system.</li> </ul> </li> <li>▶ The proposed amendment to Western Power's licence was made open for public submission however no responses were received.</li> <li>▶ The amendment to this licence condition was approved by the Authority on 24 November 2009.</li> </ul>	
														2. We sighted the service level agreement between Western	

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
														<p>Power and Synergy, Western Power's Trouble Call Fault Management Plan and letters sent to the Authority requesting for the Licence condition amendments (correspondence file and email).</p> <p>3. Based on discussions with the Manager Compliance and Manager Customer Assist, the purpose of the trouble call fault management plan was to describe the process Western Power would take to establish a trouble call fault management system. This system was implemented by 23 March 2009 and therefore Western Power has requested the Authority to amend the Licence condition in relation to trouble call fault management in a letter dated 7 April 2009.</p> <p>The amendment to this licence condition was approved by the Authority on 24 November 2009.</p> <p>4. We obtained and inspected a copy of the Trouble Call Fault Management Plan and noted that it contains procedures for establishing a trouble call fault management system, outage management processes, projected milestones, tasks and a high level timetable and specific timeframes.</p> <p>5. We sighted the approval confirmation from the Authority.</p> <p><b>Conclusion: Compliant</b></p>	

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 25.2 Transmission Licence condition 22.2	Distribution Licence condition 25.2 Transmission Licence condition 22.2	The licensee must provide the Authority with a draft trouble call fault management plan for the Authority's approval within six months of the commencement date unless directed otherwise by the Authority	Distribution, Transmission		Minor	Likely	Medium	Weak	3	Breach (ETL2) - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Trouble call fault management plan</li> <li>• Service level agreement between Western Power and outsourced provider</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedures performed for Licence condition 25.1 (distribution) / 22.1 (transmission).</li> <li>2. Check whether the draft trouble call fault management plan was submitted to the Authority for approval within 6 months of commencement date, by validating to supporting evidence.</li> <li>3. Enquire whether any direction to amend the trouble call fault management plan was received from the Authority during the audit scope period.  If so, determine whether the amendments have been made in a timely manner and in accordance with the Authority's directions.</li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to Distribution Licence condition 25.1 and Transmission Licence condition 23.1.</li> <li>2. The draft Trouble Call Fault Management Plan has been approved by the Authority. This obligation was tested in the 2008 performance audit and Western Power was compliant. Western Power did not amend its Trouble Call Fault Management Plan during the audit period and therefore no further work was performed. We noted that the Trouble Call Fault Management Plan applies to distribution only and does not include transmission.  The amendment to this licence condition was approved by the Authority on 24 November 2009.</li> <li>3. Based on discussions with the Manager Compliance and Manager Customer Assist, Western Power did not receive any direction from the Authority to amend its Trouble Call Fault Management Plan during the audit period.</li> </ol> <p><b>Conclusion: Compliant</b></p>	5
	Distribution Licence condition 25.3 Transmission Licence condition 22.3	Distribution Licence condition 25.3 Transmission Licence condition 22.3	The trouble call fault management plan must detail the steps the licensee will take to establish a trouble call fault management system and the time in which those steps will be completed.	Distribution, Transmission		Minor	Likely	Medium	Weak	3	Breach (ETL2) - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Trouble call fault management plan</li> <li>• Service level agreement between Western Power and outsourced provider</li> </ul>	Refer to audit procedures performed for Licence condition 25.1 (distribution) / 22.1 (transmission).	<p>Refer to Distribution Licence condition 25.1 and Transmission Licence condition 23.1.</p> <p>We noted that the Trouble Call Fault Management Plan applies to distribution only and does not include transmission.</p> <p>The amendment to this licence condition was approved by the Authority on 24 November 2009.</p> <p><b>Conclusion: Compliant</b></p>	5

No.	Licence condition	Obligations under Condition	Description	Licensee	Type	Consequence	Likelihood	Inherent risk	Control adequacy	Audit priority	Comment	Controls	Audit procedures	Test results	Compliance rating
	Distribution Licence condition 25.4 Transmission Licence condition 22.4	Distribution Licence condition 25.4 Transmission Licence condition 22.4	The Authority may direct the licensee to make amendments to the trouble call fault management plan before it will approve the trouble call fault management plan.	Distribution, Transmission		Minor	Likely	Medium	Weak	3	Breach (ETL2) - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Trouble call fault management plan</li> <li>• Service level agreement between Western Power and outsourced provider</li> </ul>	Refer to audit procedures performed for Licence condition 25.1 (distribution) / 22.1 (transmission).	<p>Refer to Distribution Licence condition 25.1 and Transmission Licence condition 23.1.</p> <p>The draft trouble call fault management plan has been approved by the Authority. This obligation was tested in the 2008 performance audit and Western Power was compliant, therefore no further work performed. We noted that the Trouble Call Fault Management Plan applies to distribution only and does not include transmission.</p> <p>The amendment to this licence condition was approved by the Authority on 24 November 2009.</p> <p><b>Conclusion: Compliant</b></p>	5
	Distribution Licence condition 25.5 Transmission Licence condition 22.5	Distribution Licence condition 25.5 Transmission Licence condition 22.5	<p>Once approved by the Authority, the licensee must implement the trouble call fault management plan and notify the Authority:</p> <p>(a) when the licensee has implemented a step in the trouble call fault management plan; or</p> <p>(b) when the licensee has failed to implement a step in the trouble call fault management plan, within 2 business days of implementing that step or the time for implementing that step has passed, whichever is applicable.</p>	Distribution, Transmission		Minor	Likely	Medium	Weak	3	Breach (ETL2) - 2008 Performance Audit	<ul style="list-style-type: none"> <li>• Trouble call fault management plan</li> <li>• Service level agreement between Western Power and outsourced provider</li> </ul>	<ol style="list-style-type: none"> <li>1. Refer to audit procedure 1 performed for Licence condition 25.1 (distribution) / 22.1 (transmission).</li> <li>2. Select a sample of 2 quarterly reports submitted to the Authority which monitors the progress of the trouble call fault management plan.</li> <li>3. Obtain evidence that the Authority has been notified in the following instances: <ol style="list-style-type: none"> <li>a. when the licensee has implemented a step in the trouble call fault management plan; or</li> <li>b. when the licensee has failed to implement a step in the trouble call fault management plan, within 2 business days of implementing that step or the time for implementing that step has passed.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. Refer to Distribution Licence condition 25.1 and Transmission Licence condition 23.1.</li> <li>2. The trouble call fault management plan was implemented by 23 March 2009 when Western Power commenced handling all fault calls. We noted that the Trouble Call Fault Management Plan applies to distribution only and does not include transmission.</li> <li>3. We obtained a copy of the letter dated 7 April 2009 sent by Western Power to the Authority, providing notification that the implementation of the Trouble Call Management Plan was complete.</li> </ol> <p>The amendment to this licence condition was approved by the Authority on 24 November 2009.</p> <p><b>Conclusion: Compliant</b></p>	5

## Appendix B Compliance rating scale

The overall compliance rating applied to each Licence condition is derived using the 5 point rating scale described below which is based on the Authority's Guidelines.

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 recommendation to improve the strength of 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.
Not applicable	N/A	Determined that the compliance obligation does not apply to the licensee's business operations.
Not rated	N/R	No relevant activity took place during the audit period, therefore it is not possible to assess compliance.

## Appendix C Western Power representatives

The following personnel were interviewed or provided evidence to the auditors in completing this audit on the effectiveness of control procedures.

Name	Position
Aaron Gibbons	Reliability Analysis & Reporting Team Leader
Andy Cowin	Group Accountant
Anthony Whiteaker	Lean Deployment Manager
Athol Drew	Market Analyst
Brian Congear	Control Room Manager
Cameron Parrotte	Branch Manager Systems Operations Control
Camille Fricker	Service Level Agreement Manager
Colin Walker	Meter Data Manager
Daniel Kennedy	Business Systems Branch Manager
Daryl McCallum	Senior Controller
Dean Frost	Country Regional Planning Manager
Derek Ball	Senior Meteorologist
Dr Martin Williams	IT Strategist Strategy and Architecture
Gavin Hobbs	Manager, Corporate Accounting and Taxation
Geoff Barnett	Asset Business Systems Manager
Gino Giudice	Manager Customer Assist
Greg Turnbull	Open Access Engineer
Hai Bui	Principal Planning Engineer Transmission
James Butler (Jim)	Land Management Manager
Ken Lee	Account Manager
Libby McCaffrey	Customer Service Centre Coordinator
Margaret Pyrchla	Manager Compliance
Mick Guagliardo	Connections Manager
Mike Lu	Manager Customer Solutions
Nadia Misquita	Property Officer
Neil Chivers	Transmission Planning Manager
Neil Gibbney	Regulation, Pricing and Access Development Engineer
Peter Howe	Access Solutions
Peter Mattner	Manager Regulation, Pricing and Access Development
Peter Vasilio	Customer Assistance Team Leader Complaints and Resolution
Rudy Teh	Major Customers Manager
Russell Kingdon	Commercial Officer
Shane Duryea	Manager Network Operations
Steve Stokes	Operations System Support Manager
Sydney McDowell	Manager Network Performance
Terry Herbert	Computer Operations Administrator
Tia Vitanza	Assistant to the General Manager Strategy and Corporate Affairs
Tony Jeans	Operational Standards and Development Manager
Tony Mancini	Technical Administrator
Tony Shanahan	Meter Provision Manager
Vicente Rogue	Metering Strategist
William Dow (Bill)	Operations Support & Document Control

## Appendix D Key documents

### Legislation and external references

AUS 810 Special Purpose Reports on the Effectiveness of Control Procedures  
Code of Conduct for the Supply of Electricity to Small Use Customers 2004  
Economic Regulation Authority Audit Guidelines: Electricity, Gas and Water Licences July 2009  
Economic Regulation Authority Electricity Compliance Reporting Manual March 2008  
Electricity Industry Act 2004  
Electricity Industry Customer Transfer Code 2004  
Electricity Industry (Network Quality and Reliability of Supply) Code 2005  
Electricity Industry (Obligation to Connect) Regulations 2005  
Electricity Industry (Ombudsman Scheme) Regulations 2005  
Electricity Industry Metering Code 2005  
Electricity Networks Access Code 2004

### Western Power documents

Annual Code of Conduct Report 2008  
Annual Code of Conduct Report 2009  
Annual Compliance Report 2008  
Annual Compliance Report 2009  
Annual Network Quality and Reliability Code Report 2009  
Annual Network Quality and Reliability Code Report 2009 p.13 amendment  
Annual Performance Report 2009  
Annual Reliability Performance & Power Quality Report 2008  
Annual Report 2008  
Annual Report 2009  
Asset Management System Review Report 2008  
Authority's approval of Audit Plan & Program  
Authority's approval of performance audit auditor (Ernst & Young)  
Authority's approval of asset management system review auditor (Lloyd's Register)  
Backup and Recovery Policy  
Build Pack  
Bulk Transmission Network Strategic Direction 2007 - 2020  
Certificate of Conformance (Electronic Polyphase CT)  
Certificate of Conformance (Electronic Polyphase WC)  
Certificate of Conformance (EM3330)  
Certificate of Conformance (Q4W)  
Certificate of Conformance (Single Phase Electronic)  
Code of Conduct Record Keeping Report 2008  
Code of Conduct Record Keeping Report 2009  
Communication Rules  
Complaints and Resolution Procedure Manual  
Complaints Policy  
Contractor Connect Scheme  
Customer Charter  
Customer Charter Summary  
Customer Service Charter Review and Consultation March 2009  
Disaster Recovery Master Schedule  
Disaster Recovery Plan Responsibilities  
Disaster Recovery Procedures  
Disaster Recovery SLA  
Electrical Standards Lab Quality Manual Test Procedures  
Emergency generator brochure  
Energy Data Verification Request  
Energy Ombudsman Annual Report 2007-08

## Western Power documents

Extended Outage Payment Scheme Claim Form

ERA Approval - Asset management system auditor (Lloyds UK)

ERA Approval - Licence audit auditor (Ernst & Young)

ERA Review of Western Power Customer Service Charter March 2009

Financial Report 2008

Financial Report 2009

General Validation Process

IT Security Policy

Land Tax Assessment 2008-09

Landis & Gyr Certificate of Conformance

Mainframe Disaster Recovery Plan

Major Customer Section Processes

MBS Disaster Recovery Plan

MBS Functional Specification - Reporting

MBS Functional Specification - Security

MBS Functional Specification - Meter Reading Exceptions

Meter data agent SLA - Horizon Power

Meter data collection SLA - Alcoa

Meter data collection SLA - Alinta

Meter data collection SLA - Emu Downs

Meter data collection SLA - Griffin Energy

Meter data collection SLA - Landfill Gas & Power

Meter data collection SLA - NewGen Kwinana

Meter data collection SLA - Newmont Power

Meter data collection SLA - Premier Power Sales

Meter data collection SLA - Southern Cross Energy

Meter data collection SLA - Verve

Meter data collection SLA - Worsley Alumina

Meter Data Verifier

Metering Dynamics Process

Metering Manual

Metering Monthly Performance Reports

Metering Services Centre (Web Portal) User Task Manual November 2006

Metering Services Performance Report (December 2008, August 2009)

Metering SLA Report

MV90 Estimation Process

NATA accreditation

NMI Allocation Procedure for WA

NMI User Guide Reading Exceptions

Project charter SLA renegotiation between Synergy and Western Power

Quarterly FRC Compliance Reports December 2008

Quarterly FRC Compliance Reports June 2009

Quarterly FRC Compliance Reports June 2009 Additional item

Quarterly FRC Compliance Reports March 2009

Quarterly FRC Compliance Reports September 2008

Reading Exceptions

Service

Register of Western Power policies

s.32 Notice Failure to Comply with Licence January 2009

Significant Legislative Obligations June 2009 Customer Services

Significant Legislative Obligations June 2009 Finance

Significant Legislative Obligations June 2009 HR

Significant Legislative Obligations June 2009 Legal & Governance

Significant Legislative Obligations June 2009 Service Delivery

Significant Legislative Obligations June 2009 Strategy & Corporate Affairs

Significant Legislative Obligations June 2009 System Management

SMITTS Disaster Recovery Plan

Western Power documents

Substitution Readings Procedures

Transmission and Distribution Annual Planning Report 2008

Transmission and Distribution Annual Planning Report 2009

Trouble Call Fault Management Plan Letter to the Authority 07.04.2009

Trouble Call Fault Management Plan Letter to the Authority 31.08.2009

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