

Premier Power Sales Pty Ltd

**Performance Audit 2010
(Electricity Retail Licence)**

**Final Report
August 2010**



Quantum Management Consulting & Assurance
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TABLE OF CONTENTS

Executive Summary	2
1. Background.....	5
2. Audit Approach	5
2.1 Objectives and Scope	5
2.2 Audit Period and Timing	6
2.3 Licensee's Representatives participating in the Audit.....	6
2.4 Key Documents Examined.....	6
2.5 Compliance Ratings	7
2.6 Audit Team and Hours	7
2.7 Disclaimer.....	7
3. Detailed Audit Results.....	8
3.1 Summary of Compliance Ratings.....	8
3.2 Previous Audit Recommendations	13
3.3 Audit Observations and Recommendations.....	31
3.4 Integrity of Performance Reporting	58
3.5 Recommended Changes to the Licence.....	58
4. Conclusion	58
Appendix A - Post Audit Implementation Plan 2010	59

Executive Summary

INTRODUCTION

Premier Power Sales Pty Ltd (PPS) has a retail licence issued by the Economic Regulation Authority (the Authority) in June 2006 to supply electricity to customers within the South West Interconnected System (SWIS) in Western Australia.

PPS is a wholly-owned subsidiary of Wesfarmers Premier Coal Ltd (Premier Coal) and part of the Wesfarmers Resources Division of Wesfarmers Ltd.

PPS engaged Quantum Management Consulting & Assurance (Quantum) to conduct the second Operational/Performance Audit in order to assess the licensee's level of compliance with the conditions of the licence.

As PPS is essentially a reseller of electricity supplies and does not have any plant and equipment, the Asset Management section of the Audit Guidelines is not applicable to PPS. The distribution network for electricity supplies to PPS customers is provided through a service agreement with Western Power (WP).

PPS started supplying their first electricity customer in February 2007. PPS targets large industrial and commercial customers. No PPS customer is a "Customer" as defined in the Code of Conduct for the Supply of Electricity to Small Use Customers 2008 and PPS has never marketed or supplied to customers with consumption less than 160MWh per annum. All of PPS's customers are based within the South West Interconnected System (SWIS).

All sales and marketing activities are managed through the Perth office of PPS. Business support services including accounts and IT services are provided by Premier Coal, Premier Road, Collie.

There were no major changes in the licence or the licensee's business activities since the previous audit.

The audit covered the period from 1st July 2008 to 30th June 2010 inclusive.

SUMMARY OF ISSUES AND RECOMMENDATIONS

The audit reviewed the action taken on previous audit recommendations and confirmed that out of the 24 previous audit recommendations, 18 have been completed (one has an ongoing status, four are partially completed and one is outstanding). Four of the partially completed recommendations relate to finalising the draft contract with Western Power. This demonstrates that there has been a major improvement in compliance with the licence conditions. The exceptions concerned:

- Not establishing a mechanism to generate an automated response message for each electronic communication received at the electronic communication address under Annex 6 clause A6.2(b) of the Electricity Industry Transfer Code;
- Not retaining evidence of notification of a change in PPS contact details to Western Power, including the date the notification was made; and
- Finalising the Electricity Transfer Access Contract incorporating SWIS as the specified network and ensuring the dispute resolution procedures and timeframes conform with the Electricity Industry Customer Transfer Code.

The audit identified one new issue as follows:

- Not providing the network operator, upon request, with customer attribute information within the timeframes prescribed under the clause 5.27 of the Electricity Industry Metering Code 2005. One response took 5 business days rather than within 2 business days.

The Post Audit Implementation Plan in Appendix A provides a summary of the issues and recommendations from the audit with responses from PPS. This has been developed by the audit team in consultation with the licensee and has been approved by the licensee.

CONCLUSION

Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that Premier Power Sales Pty Ltd has complied with its Retail Licence performance and quality standards during the audit period 1st July 2008 to 30th June 2010 apart from two exceptions:

1. Licence Clause 5.1 (Electricity Industry Customer Transfer Code Annex 6 Clause A6.2(b)) - Not establishing a mechanism to generate an automated response message for each electronic communication received at the electronic communication address. Currently a PPS employee must trigger the response rather than being an automated response; and.
2. Licence Clause 5.1 (Electricity Industry Metering Code 2005 Clause 5.27) – Not providing the network operator, upon request, with customer attribute information within the timeframes prescribed since one response took 5 business days rather than within 2 business days.

Since the previous audit, PPS has considerably improved their internal controls to ensure compliance with the licence obligations, including the development of comprehensive policies and procedures and a schedule of compliance notifications/events. The current internal control environment is considered to be adequate and there were no new recommendations for improvement made. Several previous audit recommendations not yet implemented have been included in this report.

SIGN-OFF

We confirm that the Authority's Audit Guidelines: Electricity, Gas and Water Licences have been complied with in the conduct of this audit and the preparation of the report, and that the audit report is an accurate presentation of our findings and opinions.

GEOFF WHITE
DIRECTOR

30 AUGUST 2010

Premier Power Sales Pty Ltd

**Performance Audit 2010
(Electricity Retail Licence)**

**Detailed Report
August 2010**

1. Background

The Premier Power Sales Pty Ltd (PPS) has a retail licence issued by the Economic Regulation Authority (the Authority) in June 2006 to supply electricity to customers within the South West Interconnected System in Western Australia.

PPS is a wholly-owned subsidiary of Wesfarmers Premier Coal Ltd (Premier Coal) and part of the Wesfarmers Resources Division of Wesfarmers Ltd.

As PPS is essentially a reseller of electricity supplies and does not have any plant and equipment, the Asset Management section of the Audit Guidelines is not applicable to PPS. The distribution network for electricity supplies to PPS customers is provided through a service agreement with Western Power (WP).

PPS started supplying their first electricity customer in February 2007. PPS targets large industrial and commercial customers. No PPS customer is a “Customer” as defined in the Code of Conduct for the Supply of Electricity to Small Use Customers 2008 and PPS has never marketed or supplied to customers with consumption less than 160MWh per annum. All of PPS’s customers are based within the South West Interconnected System (SWIS).

All sales and marketing activities are managed through the Perth office of PPS. Business support services including accounts and IT services are provided by Premier Coal, Premier Road, Collie.

2. Audit Approach

2.1 Objectives and Scope

The objective of the Performance Audit was to provide an assessment of the effectiveness of measures taken by the licensee to maintain the performance and quality standards referred to in the licence.

The audit applied a risk-based audit approach to focus on the systems and effectiveness of processes used to ensure compliance with the standards, outputs and outcomes required by the licence.

The scope of the audit covered the following:

- Risk assessment – the risks posed by non-compliance with the licence standards and development of a risk-based audit plan to focus on the higher risk areas, with less intensive coverage of medium and low risk areas;
- Process compliance - the effectiveness of systems and procedures in place throughout the audit period, including the adequacy of internal controls;
- Outcome compliance – the actual performance against standards prescribed in the licence throughout the audit period;
- Output compliance – the existence of the output from systems and procedures throughout the audit period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained);
- Integrity of performance reporting – the completeness and accuracy of the performance reporting to the Authority; and
- Compliance with any individual licence conditions – any specific requirements imposed by the Authority or specific issues for follow-up that are advised by the Authority.

The audit reviewed the status of the previous audit recommendations and also identified areas where improvement is required based on the current audit period.

2.2 Audit Period and Timing

The current audit covered the period 1st July 2008 to 30th June 2010 inclusive and was completed from 19th July to 6th August 2010.

The previous audit covered the period 26th June 2006 to 30th June 2008 inclusive.

2.3 Licensee's Representatives participating in the Audit

Paul Key	Manager, Premier Power Sales
Camille Kirk	Business Analyst, Premier Power Sales

2.4 Key Documents Examined

- Premier Power Sales Pty Ltd Retail Licence, dated 29th January 2009
- Premier Power Sales Pty Ltd Audit Report: Electricity Retail Licence Performance Audit, final report, 25 November 2008
- PPS Compliance Report to the Authority for the period 1st July 2008 to 30th June 2009
- ERA letter D11788 to PPS: Compliance Report – 1 July 2008 to 30 June 2009
- ERA letter D13863 to PPS: Annual Electricity Licence Compliance Report
- Network Access Agreement between Electricity Networks Corporation and PPS dated 24 January 2007
- Draft Electricity Transfer Access Contract between Electricity Networks Corporation and PPS
- Record of negotiations between Electricity Networks Corporation and PPS re Draft Electricity Transfer Access Contract
- PPS Proforma Electricity Supply Agreement
- Western Power Customer Relationship Plan for PPS dated 18 August 2008
- Ernst & Young Closing Report to Management: Wesfarmers Premier Coal Roll Forward Closing Report to Management for Year Ended 30 June 2009
- PPS Administration Procedure Manual
- PPS Operational and Procedural Manual
- ERA Invoice Number ERA072, ERA128 and ERA183 to PPS
- Western Power Metering Code Model Service Level Agreement approved by the ERA on the 30 March 2006
- Correspondence and operations files as requested

2.5 Compliance Ratings

PPS's compliance with the licence obligations was assessed using the following compliance ratings.

COMPLIANCE STATUS	RATING	DESCRIPTION OF COMPLIANCE
COMPLIANT	5	Compliant with no further action required to maintain compliance
COMPLIANT	4	Compliant apart from minor or immaterial recommendations to improve the strength 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

2.6 Audit Team and Hours

CONSULTANT	POSITION	HOURS
Geoff White	Director	5
Andrea Stefkova	Senior Consultant	35
	Total	40

2.7 Disclaimer

An audit involves performing procedures to obtain audit evidence about the disclosures in the organisation's records. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the records whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to ensuring compliance with the licensing obligations in order to design audit procedures that are appropriate in the circumstances.

The audit is not designed to detect all errors or omissions, since we do not examine all evidence and every transaction. Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected.

Our report is provided solely for the information of Premier Power Sales Pty Ltd and the Economic Regulation Authority, Western Australia. We disclaim any assumption of responsibility for any reliance on this report to any person other than to Premier Power Sales and the Economic Regulation Authority or for any purpose other than that for which it was prepared.

3. Detailed Audit Results

The preliminary risk assessment included in the Audit Plan was reviewed and updated during the audit and a compliance rating using the scale in Section 2.5 was assigned to each obligation under the licence, as shown in Section 3.1. Section 3.2 provides details of the current status of key recommendations from the previous audit. Section 3.3 provides further details of the systems and the compliance assessment for each obligation.

3.1 Summary of Compliance Ratings

The audit assessment of the compliance ratings for each licence condition is shown below (risk assessment and control rating are as per the Audit Plan).

Operating area	Operating Licence reference (Cl.=clause, Sch.=schedule)	Consequence (1=minor, 2=moderate, 3=major)	Likelihood (A=likely, B=probable, C=unlikely)	Inherent Risk (Low, Medium, High)	Adequacy of existing controls per Audit Plan (S=strong, M=moderate, W=weak)	Compliance Rating (1=significantly non-compliant , 2=non-compliant, 3 =compliant, 4 = compliant, 5=compliant, N/A = not applicable, N/R = not rated)										
						1	2	3	4	5	N/A	N/R				
SERVICE DELIVERY																
TYPE 1 REPORTING OBLIGATIONS FOR ALL LICENCE TYPES																
Electricity Industry Act section 82 - Code of Conduct clause 7.6, 7.7(1), 9.5(1) and 9.5(2)	Cl.5.1														✓	
ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE – LICENCE CONDITIONS AND OBLIGATIONS																
Electricity Industry Customer Transfer Code clause 3.2(2)	Cl. 5.1	2	B	Medium	S										✓	
Electricity Industry Customer Transfer Code clause 3.4(1)	Cl. 5.1	2	B	Medium	S										✓	
Electricity Industry Customer Transfer Code clause 3.5(3)	Cl. 5.1	1	B	Low	M											✓
Electricity Industry Customer Transfer Code clause 3.6(2)	Cl. 5.1	1	B	Low	M											✓
Electricity Industry Customer Transfer Code clause 3.9(1)	Cl. 5.1	2	B	Medium	M										✓	
Electricity Industry Customer Transfer Code clause 3.9(2)	Cl. 5.1	2	B	Medium	M											✓
Electricity Industry Customer Transfer Code clause 3.9(3)	Cl. 5.1	2	B	Medium	W										✓	
Electricity Industry Customer Transfer Code clause 3.9(4)	Cl. 5.1	2	B	Medium	S										✓	
Electricity Industry Customer Transfer Code clause 4.2(2)	Cl. 5.1	2	B	Medium	S										✓	
Electricity Industry Customer Transfer Code clause 4.3	Cl. 5.1	2	B	Medium	S										✓	
Electricity Industry Customer Transfer Code clause 4.4(1)	Cl. 5.1	2	B	Medium	W				✓							
Electricity Industry Customer Transfer Code clause 4.4(2)	Cl. 5.1	2	B	Medium	M										✓	
Electricity Industry Customer Transfer Code clause 4.4(2)	Cl. 5.1	2	B	Medium	S										✓	

Operating area	Operating Licence reference (Cl.=clause, Sch.=schedule)	Consequence (1=minor, 2=moderate, 3=major)	Likelihood (A=likely, B=probable, C=unlikely)	Inherent Risk (Low, Medium, High)	Adequacy of existing controls per Audit Plan (S=strong, M=moderate, W=weak)	Compliance Rating (1=significantly non-compliant , 2=non-compliant, 3 =compliant, 4 = compliant, 5=compliant, N/A = not applicable, N/R = not rated)							
						1	2	3	4	5	N/A	N/R	
SERVICE DELIVERY													
Transfer Code clause 4.5(1)													
Electricity Industry Customer Transfer Code clause 4.6(3)	Cl. 5.1	1	B	Low	M								✓
Electricity Industry Customer Transfer Code clause 4.7	Cl. 5.1	2	B	Medium	S					✓			
Electricity Industry Customer Transfer Code clause 4.8(2)	Cl. 5.1	1	B	Low	M								✓
Electricity Industry Customer Transfer Code clause 4.9(6)	Cl. 5.1	2	B	Medium	M								✓
Electricity Industry Customer Transfer Code clause 4.11(3)	Cl. 5.1	1	B	Low	M								✓
Electricity Industry Customer Transfer Code clause 4.12(3)	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Customer Transfer Code clause 4.15	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Customer Transfer Code clause 4.16	Cl. 5.1	2	B	Medium	W					✓			
Electricity Industry Customer Transfer Code clause 4.17	Cl. 5.1	2	B	Medium	W								✓
Electricity Industry Customer Transfer Code clause 5.1(4)	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Customer Transfer Code clause 6.2	Cl. 5.1	2	B	Medium	S					✓			
Electricity Industry Customer Transfer Code clause 6.4(1)	Cl. 5.1	2	B	Medium	W								✓
Electricity Industry Customer Transfer Code clause 6.4(2)	Cl. 5.1	2	B	Medium	W				✓				
Electricity Industry Customer Transfer Code clause 6.6	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Customer Transfer Code clause 7.1(1)	Cl. 5.1	2	B	Medium	W								✓
Electricity Industry Customer Transfer Code clause 7.1(2)	Cl. 5.1	2	B	Medium	W								✓
Electricity Industry Customer Transfer Code clause 7.1(3)	Cl. 5.1	1	B	Low	W								✓
Electricity Industry Customer Transfer Code clause 7.2(4)	Cl. 5.1	1	B	Low	W								✓
Electricity Industry Customer Transfer Code clause 7.3(2)	Cl. 5.1	1	B	Low	W								✓
Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)	Cl. 5.1	2	B	Medium	W		✓						
Electricity Industry Customer Transfer Code Annex 6 clause A6.6	Cl. 5.1	2	B	Medium	S					✓			
Electricity Industry Customer Transfer Code Annex 6 clause A6.7	Cl. 5.1	2	B	Medium	S					✓			

Operating area	Operating Licence reference (Cl.=clause, Sch.=schedule)	Consequence (1=minor, 2=moderate, 3=major)	Likelihood (A=likely, B=probable, C=unlikely)	Inherent Risk (Low, Medium, High)	Adequacy of existing controls per Audit Plan (S=strong, M=moderate, W=weak)	Compliance Rating (1=significantly non-compliant , 2=non-compliant, 3 =compliant, 4 = compliant, 5=compliant, N/A = not applicable, N/R = not rated)									
						1	2	3	4	5	N/A	N/R			
SERVICE DELIVERY															
Electricity Industry (Licence Conditions) Regulations regulation 6	Cl. 5.1											✓			
Electricity Industry (Licence Conditions) Regulations regulation 7	Cl. 5.1											✓			
Electricity Industry (Licence Conditions) Regulations regulation 8(8)	Cl. 5.1											✓			
ELECTRICITY INDUSTRY ACT – LICENCE CONDITIONS AND OBLIGATIONS															
Electricity Industry Act section 13(1)	Cl. 22.1	2	B	Medium	W							✓			
Electricity Industry Act section 17(1)	Cl. 4.1	1	C	Low	W							✓			
Electricity Industry Act section 31(3)	Cl. 5.1	2	B	Medium	M								✓		
Electricity Industry Act section 41(6)	Cl. 5.1	2	B	Medium	M								✓		
Electricity Industry Act section 54(1)	Cl. 13.1											✓			
Electricity Industry Act section 54(2)	Cl. 14.4											✓			
Electricity Industry Act section 76	Cl. 17.1											✓			
Electricity Industry Act section 101	Cl. 19.1											✓			
Electricity Industry Act section 115(2)	Cl. 5.1	2	B	Medium	M							✓			
ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS															
Electricity Industry Act section 11	Cl.6.1											✓			
Electricity Industry Act section 11	Cl.6.2											✓			
Electricity Industry Act section 11	Cl.13.2											✓			
Electricity Industry Act section 11	Cl.13.3											✓			
Electricity Industry Act section 11	Cl.14.1											✓			
Electricity Industry Act section 11	Cl.15.2											✓			
Electricity Industry Act section 11	Cl.20.1	2	B	Medium	M							✓			
Electricity Industry Act section 11	Cl.21.4											✓			
Electricity Industry Act section 11	Cl.22.2	2	B	Medium	W							✓			
Electricity Industry Act section 11	Cl.23.1	2	B	Medium	W								✓		
Electricity Industry Act section 11	Cl.24.1	2	B	Medium	W							✓			
Electricity Industry Act section 11	Cl.25.2	2	C	Medium	M								✓		
Electricity Industry Act section 11	Cl.26.1	2	C	Medium	M							✓			
CODE OF CONDUCT – LICENCE CONDITIONS AND OBLIGATIONS															
Electricity Industry Act section 82 - Code of Conduct	Cl.5.1 & Cl.6.1											✓			
ELECTRICITY INDUSTRY METERING CODE – LICENCE CONDITIONS AND OBLIGATIONS															
Electricity Industry Metering Code clause 3.5(6)	Cl. 5.1	2	B	Medium	M							✓			
Electricity Industry Metering Code clause 3.11(3)	Cl. 5.1	2	B	Medium	W								✓		
Electricity Industry Metering Code clause 3.16(5)	Cl. 5.1	2	B	Medium	M							✓			
Electricity Industry Metering Code clause 3.18(1)	Cl. 5.1											✓			
Electricity Industry Metering Code	Cl. 5.1	2	C	Medium	M							✓			

Operating area	Operating Licence reference (Cl.=clause, Sch.=schedule)	Consequence (1=minor, 2=moderate, 3=major)	Likelihood (A=likely, B=probable, C=unlikely)	Inherent Risk (Low, Medium, High)	Adequacy of existing controls per Audit Plan (S=strong, M=moderate, W=weak)	Compliance Rating (1=significantly non-compliant , 2=non-compliant, 3 =compliant, 4 = compliant, 5=compliant, N/A = not applicable, N/R = not rated)							
						1	2	3	4	5	N/A	N/R	
SERVICE DELIVERY													
clause 3.27													
Electricity Industry Metering Code clause 4.4(1)	Cl. 5.1	2	B	Medium	S					✓			
Electricity Industry Metering Code clause 4.5(1)	Cl. 5.1	2	B	Medium	W					✓			
Electricity Industry Metering Code clause 4.5(2)	Cl. 5.1	2	B	Medium	W					✓			
Electricity Industry Metering Code clause 5.4(2)	Cl. 5.1										✓		
Electricity Industry Metering Code clause 5.5(3)	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Metering Code clause 5.16	Cl. 5.1										✓		
Electricity Industry Metering Code clause 5.17(1)	Cl. 5.1	1	B	Low	M					✓			
Electricity Industry Metering Code clause 5.18	Cl. 5.1										✓		
Electricity Industry Metering Code clause 5.19(1)	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Metering Code clause 5.19(2)	Cl. 5.1	2	B	Medium	S					✓			
Electricity Industry Metering Code clause 5.19(3)	Cl. 5.1	2	B	Medium	W								✓
Electricity Industry Metering Code clause 5.19(4)	Cl. 5.1	2	B	Medium	M								✓
Electricity Industry Metering Code clause 5.19(6)	Cl. 5.1	2	B	Medium	M								✓
Electricity Industry Metering Code clause 5.21(5)	Cl. 5.1	2	B	Medium	M								✓
Electricity Industry Metering Code clause 5.21(6)	Cl. 5.1	2	B	Medium	M								✓
Electricity Industry Metering Code clause 5.27	Cl. 5.1	2	B	Medium	W		✓						
Electricity Industry Metering Code clause 6.1(2)	Cl. 5.1	2	B	Medium	W					✓			
Electricity Industry Metering Code clause 7.2(1)	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Metering Code clause 7.2(4)	Cl. 5.1	2	B	Medium	M								✓
Electricity Industry Metering Code clause 7.2(5)	Cl. 5.1	2	B	Medium	W				✓				
Electricity Industry Metering Code clause 7.5	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Metering Code clause 7.6(1)	Cl. 5.1	2	B	Medium	M					✓			
Electricity Industry Metering Code clause 8.1(1)	Cl. 5.1	2	B	Medium	M								✓
Electricity Industry Metering Code	Cl. 5.1	2	B	Medium	M								✓

Operating area	Operating Licence reference (Cl.=clause, Sch.=schedule)	Consequence (1=minor, 2=moderate, 3=major)	Likelihood (A=likely, B=probable, C=unlikely)	Inherent Risk (Low, Medium, High)	Adequacy of existing controls per Audit Plan (S=strong, M=moderate, W=weak)	Compliance Rating (1=significantly non-compliant , 2=non-compliant, 3 =compliant, 4 = compliant, 5=compliant, N/A = not applicable, N/R = not rated)							
						1	2	3	4	5	N/A	N/R	
SERVICE DELIVERY													
clause 8.1(2)													
Electricity Industry Metering Code clause 8.1(3)	Cl. 5.1	2	B	Medium	M								✓
Electricity Industry Metering Code clause 8.1(4)	Cl. 5.1	1	B	Low	M								✓
Electricity Industry Metering Code clause 8.3(2)	Cl. 5.1	1	B	low	M								✓

3.2 Previous Audit Recommendations

The status of the key recommendations in the previous audit report issued in November 2008 is summarised below.

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
1 (69)	<p>Compliance with Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)</p> <p>A network operator and 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.</p>	<p>A response message to the network operator is sent via the portal but this must be triggered by a retail employee.</p> <p>This non-compliance of type 2 was reported to the Authority in the PPS Compliance Report for the period 1st July 2007 to 30th June 2008.</p>	2	<p>1. PPS should conduct an investigation into finding an optimal solution to enable compliance. This should be done within the next 2 - 3 months.</p> <p>2. PPS should aim to implement this and be compliant within 6 months.</p>	<p>We recognise that we are not compliant with the code, but the code assumes a business model which we are unable to follow given the communication methods set out by Western Power. We propose to contact the OOE for an exemption or code amendment.</p> <p><i>Anna Giumelli</i> <i>June 2009</i></p>	<p>PPS advised the Authority of this non-compliance in the PPS Compliance Report for the period 1st July 2008 to 30th June 2009.</p> <p>In this report PPS advised the Authority that PPS does not consider the cost of implementing an IT solution to be reasonable in the context of its small number of customers. There is no benefit to customers in automating these electronic messages.</p> <p>PPS also advised that no action has been taken by PPS to rectify the breach and that PPS will continue to monitor opportunities for compliance.</p> <p>Recommendation:</p>	ONGOING

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
						PPS should continue to monitor opportunities to fully comply with the licence obligation. (Post Audit Implementation Plan item 1.)	
2 (25)	Compliance with Electricity Industry Customer Transfer Code clause 4.4(1) A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	Current Network Access Agreement between the PPS and WP does not explicitly specify the network as the SWIS. However this will be covered by the new Electricity Transfer Access Contract between PPS and WP, currently in draft version, where network "means those parts of the SWIS that are owned, operated or owned and operated by WP in respect of which access is given under this contract".	3	Ensure that the network is specified as SWIS in the next service agreement between WP and PPS. Audit noted that a new service agreement is currently in the draft version that will rectify this.	The Electricity Transfer Access Contract will be executed incorporating SWIS as the specified network. <i>Anna Giumelli,</i> <i>April 2009</i>	The Electricity Transfer Access Contract between WP and PPS has not been finalised as yet. Recommendation: Finalise the Electricity Transfer Access Contract incorporating SWIS as the specified network (Post Audit Implementation Plan item 3).	OUTSTANDING
3 (85)	Fees The licensee must pay the applicable fee in accordance with the Regulations.	In accordance with Electricity Industry Act (s.17), PPS 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	3	Develop and implement the compliance schedule with payment dates included as part of the schedule of events to ensure regulatory timeframes are met.	A compliance schedule will be developed and implemented. <i>Anna Giumelli</i> <i>April 2009</i>	The PPS Compliance Schedule of Events has been developed and implemented, with payment dates included. The relevant licence fee payment dates are also outlined in the Licence	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
		<p>month after each anniversary of that day during the term of the licence.</p> <p>Although the audit confirmed compliance with this requirement we did not identify a process in place to ensure that the timeframes would be met.</p>				Fees policy and procedure included in the PPS Operational and Procedural Compliance Manual.	
4 (81)	<p>Performance Audit</p> <p>The licensee must, unless otherwise notified in writing by the Authority, provide the Authority with a performance audit within 24 months after commencement date, and every 24 months thereafter.</p>	<p>This performance audit is now being undertaken and will be completed within the prescribed time.</p> <p>However, we did not identify a process in place to ensure that the timeframes would be met. The implementation of the audit was reactionary to a note sent by the Authority and not planned.</p>	3	Develop and implement the compliance schedule with audit dates included as part of the schedule of events to ensure regulatory timeframes are met.	<p>A compliance schedule will be developed and implemented.</p> <p><i>Anna Giumelli</i></p> <p><i>April 2009</i></p>	<p>The PPS Compliance Schedule of Events has been developed and implemented, with audit dates included as part of the schedule of events.</p> <p>The performance audit requirement and relevant timeframes are also included in the Performance Audit policy and procedure included in the PPS Operational and Procedural Compliance Manual.</p>	COMPLETED
5 (109)	<p>Reporting</p> <p>The licensee must report to the Authority:</p> <p>a) if the licensee is under</p>	Confirmed with the PPS staff that there has been no significant change to the circumstances upon which the licence was granted	3	Include reporting response times to events in the operational/procedural manual to ensure	Operational/procedure manual will be developed and implemented to reflect the	The PPS Compliance Schedule of Events has been developed and implemented, with reporting response times	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
	<p>external administration as defined by the Corporations Act 2001 (Cwlth) within 2 business days; or</p> <p>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>	<p>which may affect the licensee's ability its obligations under the licence during the audit period.</p> <p>However, we did not identify a process in place to ensure that the timeframes would be met.</p>		regulatory timeframes are met.	recommendation. <i>Anna Giumelli</i> <i>April 2009</i>	<p>to events included.</p> <p>This reporting requirement and relevant response times are also included in the Reporting to the ERA: Compliance policy and procedure included in the PPS Operational and Procedural Compliance Manual.</p>	
6 (110)	<p>Provision of Information</p> <p>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.</p>	In accordance with the Electricity Compliance Reporting Manual 2008, PPS must submit compliance reports to the Authority covering all of its type 2 licence obligations for each financial year (1 July to 30 June inclusive) by 31 August immediately following the financial year that is the subject of the	3	Develop and implement a compliance schedule with compliance reporting timeframes included as part of the schedule of events to ensure regulatory timeframes are met.	A compliance schedule will be developed and implemented. <i>Anna Giumelli</i> <i>April 2009</i>	<p>The PPS Compliance Schedule of Events has been developed and implemented, with compliance reporting timeframes included.</p> <p>The compliance reporting timeframes are also included in the Reporting to the ERA: Compliance policy and procedure included in the PPS</p>	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
	lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.						
8 (45)	<p>Compliance with Electricity Industry Customer Transfer Code clause 4.17</p> <p>A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.</p>	<p>Confirmed by enquiry with PPS staff that PPS is not a previous retailer in relation to any of their customers.</p> <p>However, we did not identify a process in place ensuring that this would be met.</p>	3	Include relevant procedures in the operational/procedural manual.	<p>Operational/procedure manual will be developed and implemented to reflect the recommendation.</p> <p><i>Anna Giumelli</i> <i>April 2009</i></p>	<p>The Electricity Supply Agreement, signed with each customer, refers to the fact that customers will be pre-billed for lagging capacity charges from the IMO in the last billing period of their supply contract, in specific recognition of the fact that PPS is not allowed to bill anything after the end of the contract, as per the Customer Transfer Code.</p> <p>By making reference to this in the PPS customer contract, the PPS is outlining the procedure that will be followed at the completion of the customer's Electricity Supply Agreement.</p> <p>None of the PPS customer contracts are due to end any time in the</p>	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
						near future.	
9 (52)	Compliance with Electricity Industry Customer Transfer Code clause 6.4(1) A retailer must notify its contact details to a network operator within three business days of a request.	Although the audit confirmed compliance with this requirement we did not identify a process in place to ensure that the timeframes would be met.	3	Include notification response times in the operational/procedural manual to ensure regulatory timeframes are met. PPS need to record in a register or file when they receive a request from the network operator for notification of their contact details and record when they notified the network operator of the contact details.	Operational/procedure manual will be developed and implemented to reflect the recommendation. A register to record requests relating to contact details from the network operator will be developed and implemented. <i>Anna Giumelli</i> <i>April 2009</i>	Relevant notification response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual as well as in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual. Register not considered necessary but evidence of compliance should be retained. WP confirmed that no such requests were made.	COMPLETED
(437)	Compliance with Electricity Industry Metering Code 2005 clause 7.2(4) A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.						
10 (53)	Compliance with Electricity Industry Customer Transfer Code clause 6.4(2) A retailer must notify any change in its contact details to a network	Although the audit confirmed compliance with this requirement we did not identify a process in place to ensure that the timeframes would be met.	3	Include notification response times in the operational/procedural manual. Develop and implement a compliance schedule with timeframes included	Operational/procedure manual will be developed and implemented to reflect the recommendation. A compliance	Relevant notification response times are included in the PPS Compliance Schedule of Events and the PPS Notification Response Times schedule that form part of the PPS	PARTIALLY COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
(438)	<p>operator at least three business days before the change takes effect.</p> <p>Compliance with Electricity Industry Metering Code 2005 clause 7.2(5)</p> <p>A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect.</p>			<p>as part of the schedule of events to ensure regulatory timeframes are met.</p> <p>PPS need to record in a register or file when they changed their contact details and record when they notified the network operator of the changes.</p>	<p>schedule will be developed and implemented and reviewed every 6 months to determine if any change in contact details are likely and when compliance requirements should be scheduled.</p> <p>A register to record when contact details have been changed and when the network operator has been notified will be developed and implemented.</p> <p><i>Anna Giumelli</i> <i>April 2009</i></p>	<p>Administration Procedure Manual.</p> <p>PPS notified WP of a change in address of their office and a telephone and fax numbers 10 days before the change took effect. A copy of the notification was provided to Audit. However, no evidence was retained by PPS of the notification of a change in contact details to WP and when the notification was provided.</p> <p>Recommendation:</p> <p>PPS to retain evidence of any notification of a change in PPS contact details to Western Power - Networks, including the date the notification was made. (Post Audit Implementation Plan item 4).</p>	
11	Compliance with	The Network Access	3	Update the dispute	The dispute	The draft contract with	PARTIALLY

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
(55)	<p>Electricity Industry Customer Transfer Code clause 7.1(1)</p> <p>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.</p>	<p>Agreement (NAA) between PPS and WP outlines the dispute procedures. Cl. 16 of NAA refers to the Electricity Referee and Dispute Resolution Regulations 1997 to be applied to any prescribed dispute. This legislation has been repealed (effective 1 July 2007).</p> <p>The draft of the new Electricity Transfer Access Contract (ETAC) between PPS and WP addresses the dispute resolution. Reviewed the draft ETAC and noted that Cl.28.1 requires parties to the dispute to meet within 10 business days of the dispute notice, instead of 5 business days prescribed by the Code.</p>		<p>resolution procedure in the draft Electricity Transfer Access Contract between Western Power and PPS in accordance with Part 7 of the Electricity Industry Customer Transfer Code.</p>	<p>resolution clauses in the Electricity Transfer Access Contract will be amended to comply with the code.</p> <p><i>Anna Giumelli</i> <i>April 2009</i></p>	<p>Western Power has not yet been updated.</p> <p>However, the PPS Disputes, Complaints and Grievances policy and procedure that forms part of the PPS Operational and Procedural Compliance Manual covers the requirements of this clause.</p> <p>PPS advised that there were no disputes during the audit period.</p> <p>Recommendation:</p> <p>Finalise the Electricity Transfer Access Contract incorporating dispute resolution within the prescribed number of days. (Post Audit Implementation Plan item 3).</p>	COMPLETED
12 (56)	<p>Compliance with Electricity Industry Customer Transfer Code clause 7.1(2)</p> <p>If the negotiations in 7.1(1) do not resolve the</p>	<p>The draft Electricity Transfer Access Contract (ETAC) between PPS and WP addresses the dispute resolution. Reviewed the draft ETAC and noted that Cl.28.2 states that if the</p>	3	<p>Update the dispute resolution procedure in the draft Electricity Transfer Access Contract between Western Power and PPS in accordance with</p>	<p>The dispute resolution clauses in the Electricity Transfer Access Contract will be amended to</p>	<p>The draft contract with Western Power has not yet been updated.</p> <p>However, in accordance with the PPS Disputes, Complaints and</p>	PARTIALLY COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
	dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer to each disputing party who must attempt to resolve the dispute by negotiations in good faith.	dispute is not resolved within 20 business days after receipt date then either party "may" refer dispute to senior executives. This clearly does not agree with the letter of the cl.7.2 of the Electricity Industry Customer Transfer Code.		Part 7 of the Electricity Industry Customer Transfer Code.	comply with the code. <i>Anna Giumelli</i> <i>April 2009</i>	Grievances policy and procedure that forms part of the PPS Operational and Procedural Compliance Manual, complaints or concerns from customers, suppliers, team members are to be submitted/forwarded to the Manager. PPS advised that there were no disputes during the audit period. Recommendation: Finalise the Electricity Transfer Access Contract incorporating escalation of disputes within the prescribed number of days. (Post Audit Implementation Plan item 3).	
13 (57)	Compliance with Electricity Industry Customer Transfer Code clause 7.1(3) If the dispute is resolved, the disputing parties must prepare a written and	The draft Electricity Transfer Access Contract (ETAC) between PPS and WP addresses the dispute resolution. Reviewed the draft ETAC and noted that Cl.28.2 refers to a written	3	Update the dispute resolution procedure in the draft Electricity Transfer Access Contract between Western Power and PPS in accordance with	The dispute resolution clauses in the Electricity Transfer Access Contract will be amended to	The draft contract with Western Power has not yet been updated. However, the PPS Disputes, Complaints and Grievances policy and procedure that forms part	PARTIALLY COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
	signed record of the resolution and adhere to the resolution.	settlement signed by each party however this refers only to the representative negotiations and not to the CEO negotiations. Also the requirement to adhere to the resolution is not stated in ETAC. This clearly does not agree with the letter of the cl.7.3 of the Electricity Industry Customer Transfer Code.		Part 7 of the Electricity Industry Customer Transfer Code.	comply with the code. <i>Anna Giumelli</i> <i>April 2009</i>	of the PPS Operational and Procedural Compliance Manual covers the requirement of this clause. PPS advised that there were no disputes during the reporting period. Recommendation: Finalise the Electricity Transfer Access Contract incorporating a written and signed record of the resolution. (Post Audit Implementation Plan item 3).	
14 (58)	Compliance with 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.	The draft Electricity Transfer Access Contract (ETAC) between PPS and WP addresses the dispute resolution. Reviewed the draft ETAC and noted that there is no process in place ensuring the Authority would be notified.	3	Update the dispute resolution procedure in the draft Electricity Transfer Access Contract between Western Power and PPS in accordance with Part 7 of the Electricity Industry Customer Transfer Code.	The dispute resolution clauses in the Electricity Transfer Access Contract will be amended to comply with the code. <i>Anna Giumelli</i> <i>April 2009</i>	The PPS Disputes, Complaints and Grievances policy and procedure that forms part of the PPS Operational and Procedural Compliance Manual covers the requirement of this clause. Not considered necessary for this requirement to be stated in the Western Power contract.	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
						PPS advised that there were no disputes during the reporting period.	
15 (59)	Compliance with 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)	The draft Electricity Transfer Access Contract (ETAC) between PPS and WP addresses the dispute resolution. Reviewed the draft ETAC and noted that ETAC does not specifically require a dispute resolution to be conducted in a manner prescribed in clause 7.3(1) of the Electricity Industry Customer Transfer Code.	3	Update the dispute resolution procedure in the draft Electricity Transfer Access Contract between Western Power and PPS in accordance with Part 7 of the Electricity Industry Customer Transfer Code.	The dispute resolution clauses in the Electricity Transfer Access Contract will be amended to comply with the code. <i>Anna Giumelli</i> <i>April 2009</i>	The PPS Disputes, Complaints and Grievances policy and procedure that forms part of the PPS Operational and Procedural Compliance Manual is consistent with the requirement of this clause. Not considered necessary for this requirement to be stated in the Western Power contract. PPS advised that there were no disputes during the reporting period.	COMPLETED
16 (336)	Compliance with Electricity Industry Metering Code 2005 clause 3.11(3) A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network	PPS had one case of lost data from a faulty power meter. As soon as the customer queried this, WP responded. Correspondence sighted. However, we did not identify a process in place ensuring that this would be	3	Include relevant procedures in the operational/procedural manual.	Operational/procedure manual will be developed and implemented to reflect the recommendation. <i>Anna Giumelli</i> <i>April 2009</i>	Relevant notification requirement and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
	operator as soon as practicable.	met.				the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.	
17 (367)	Compliance with Electricity Industry Metering Code 2005 clause 4.5(1) A Code participant must not knowingly permit the registry to be materially inaccurate.	The WP Portal contains all the registry information. PPS advised that they would amend/update the information if they found it to be inaccurate. WP portal sighted. However, we did not identify a process in place ensuring that this would be met.	3	Include relevant procedures in the operational/procedural manual.	Operational/procedure manual will be developed and implemented to reflect the recommendation. <i>Anna Giumelli</i> <i>April 2009</i>	This requirement and relevant response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.	COMPLETED
18 (368)	Compliance with Electricity Industry Metering Code 2005 clause 4.5(2) If a code participant (other than a network operator) becomes aware of a change to or an inaccuracy in an item of standing data in the	The portal has the standing data for each customer. PPS advise they haven't had to change standing data. All data changes transmitted through portal. WP portal sighted. However, we did not identify a process in place	3	Include notification response times in the operational/procedural manual to ensure regulatory timeframes are met.	Operational/procedure manual will be developed and implemented to reflect the recommendation. <i>Anna Giumelli</i> <i>April 2009</i>	Relevant notification requirement and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
	registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.	ensuring that the timeframes would be met.				the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.	
19 (398)	<p>Compliance with Electricity Industry Metering Code 2005 clause 5.19(3)</p> <p>A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.</p>	Although the audit confirmed compliance with this requirement we did not identify a process in place to ensure that the timeframes would be met.	3	<p>Include notification response times in the operational/procedural manual to ensure regulatory timeframes are met.</p> <p>PPS need to record in a register or file when they receive advice of a change in a site's prescribed attributes and record when they notified the network operator of the changes.</p>	<p>Operational/procedure manual will be developed and implemented to reflect the recommendation.</p> <p>A register will be development and implemented to reflect the recommendation.</p> <p><i>Anna Giumelli</i> <i>April 2009</i></p>	<p>Relevant notification requirement and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.</p> <p>A register is not considered necessary but evidence of compliance should be retained. PPS advise that there were no changes in site prescribed attributes. This was confirmed by WP.</p>	COMPLETED
20	Compliance with	Confirmed by enquiry with	3	Include procedure for	Operational/proc	Relevant notification	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
(399)	<p>Electricity Industry Metering Code 2005 clause 5.19(4)</p> <p>A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the network operator's Network Operations Control Centre of the fact.</p>	<p>PPS staff that they would check if their clients have sensitive loads at the initial sales points initially when through the portal but there is no formal ongoing process for checking sensitive loads. PPS rely on their standard customer relations with their clients to informed PPS of their sensitive loads.</p>		<p>formal annual check with licensee's customers re sensitive loads in the operational/procedural manual.</p>	<p>edure manual will be developed and implemented to reflect the recommendation.</p> <p><i>Anna Giumelli</i></p> <p><i>April 2009</i></p>	<p>requirement and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to the Network Operator policy and procedure forming part of the PPS Operational and Procedural Compliance Manual.</p> <p>However, PPS advised that they do not have any customers of this nature. PPS only takes on contestable customers and it is unlikely that any of their current customers would have a sensitive load. This was also confirmed by WP. Therefore, formal annual checks with their customers re sensitive loads are not considered necessary.</p>	
21	Compliance with	Advised by PPS that they haven't had any such	3	Include relevant procedures in the	Operational/procedure manual	Relevant notification requirement and response	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
(401)	Electricity Industry Metering Code 2005 clause 5.19(6) A user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.	problems. There is no formal process in place, but the Western Power portal facilitates the notification of the change in an attributes.		operational/procedural manual.	will be developed and implemented to reflect the recommendation. <i>Anna Giumelli</i> <i>April 2009</i>	times are included in the PPS Reporting and Provision of Information to the Network Operator policy and procedure that forms part of the PPS Operational and Procedural Compliance Manual.	
22 (426)	Compliance with Electricity Industry Metering Code 2005 clause 5.27 Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	Advised by PPS that they have not been requested to provide information. However, we did not identify a process in place ensuring that the timeframes would be met.	3	Include regulatory response times in the operational/procedural manual to ensure regulatory timeframes are met.	Operational/procedure manual will be developed and implemented to reflect the recommendation. <i>Anna Giumelli</i> <i>April 2009</i>	Relevant notification requirement and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.	COMPLETED
23	Compliance with Electricity Industry	Sighted the Metering Code Model Service Level	3	Include the requirement to comply with the	All requirements detailed in the	The reference to the Metering Code Model	COMPLETED

No. (Compliance obligation number per Compliance Reporting Manual 2010)	Licence Condition	Previous Audit Findings	Prev. Comp. Rating	Recommended Corrective Actions	Post Audit Action Plan	Action Taken	Status
(433)	Metering Code 2005 clause 6.1(2) A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	Agreement and Network Access Agreement between PPS and WP. However there is no formal process in place to ensure compliance with the agreements.		Metering Code Model Service Level Agreement and Network Access Agreement between WP and PPS as part of the compliance manual.	SLA will be included in the Compliance Manual. <i>Anna Giumelli</i> <i>April 2009</i>	Service Level Agreement and Network Access Agreement between WP and PPS is now included in the PPS Operational and Procedural Compliance Manual.	
24 (All obligations)	N/A	Compliance Manual While the audit concluded that the licence obligations are being complied with apart from one relatively minor exception described above, the audit evidence presented suggests PPS lacks the processes required to ensure compliance.	4	Develop and implement a Compliance Manual for the organisation in order to manage critical compliance functions and assign responsibilities. The Compliance Manual should identify the licensee compliance requirements and briefly describe how each licence condition is being complied with, referencing documents, processes, etc. and linking to the relevant parts of the procedural manual. The schedule of events should also be included in the Compliance Manual.	An internal Compliance Manual will be developed and implemented, including details of how the compliance requirements are being complied with. <i>Anna Giumelli</i> <i>April 2009</i>	The PPS Operational and Procedural Compliance Manual has been developed and implemented.	COMPLETED



3.3 Audit Observations and Recommendations

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
TYPE 1 REPORTING OBLIGATIONS FOR ALL LICENCE TYPES					This section is not applicable to PPS as no PPS customer is a “Customer” as defined in the Code of Conduct for the Supply of Electricity to Small Use Customers 2008 and PPS has never marketed to or supplied to such Customers.	N/A
ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE – LICENCE CONDITIONS AND OBLIGATIONS						
6	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.2(2)	A retailer must submit a separate data request for each exit point unless otherwise agreed.	4	Confirmed via observation that WP’s online portal (Metering Service Centre) does not allow a data request from more than one exit point at a time.	5
7	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.4(1)	A retailer, unless otherwise agreed, must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day.	4	All data requests are submitted electronically via WP’s online portal. A maximum of 20 data requests may be submitted during any business day. Sighted the portal and confirmed that an error message will display indicating the number of requests submitted was exceeded when there are over 20 requests a day. Screenshot obtained.	5
8	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.5(3)	A retailer must withdraw a request for historical consumption data if the contestable customer’s verifiable consent ceases to apply before the network operator provides the historical consumption data.	5	PPS advised that there wasn’t a situation where the contestable customer’s verifiable consent ceased to apply. Therefore no withdrawal of a data request was necessary. Also, reviewed PPS’s customer records.	N/R

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
9	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.6(2)	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a withdrawn request for historical consumption data.	5	As above.	N/R
16	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.9(1)	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.	4	Use of a contestable customer's data is governed by the Electricity Supply Agreement. PPS Proforma Electricity Supply Agreement sighted. Confirmed with PPS staff that there is no other use of data relating to a contestable customer.	5
17	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.9(2)	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	4	Confirmed with PPS staff that no customer requested not to do so. Reviewed PPS's customer records.	N/R
18	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 3.9(3)	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.	4	This is covered by the Electricity Supply Agreement. Sighted a PPS Proforma Electricity Supply Agreement.	5
19	Electricity Industry (Licence	Electricity Industry Customer	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	3	PPS started supplying their first electricity customer in February 2007. Confirmed by enquiry with PPS staff that PPS keeps soft copies of the verifiable consent received from their contestable customers on the	5

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
	Conditions) Regulations regulation 5(2)	Transfer Code clause 3.9(4)			<p>system. Sighted a sample of 4 verifiable consents received from the contestable customers.</p> <p>Relevant record retention and disposal requirements are included in the Records Management and Document Control policy and procedure which creates a part of the PPS Operational and Procedural Compliance Manual.</p>	
23	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.2(2)	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.	4	Confirmed via observation that the WP's online portal only allows a separate customer transfer request for each exit point.	5
24	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.3	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.	4	Confirmed via observation that the reason for a customer transfer request or to reverse an erroneous transfer must be completed (pick list) on the portal, mandatory field, otherwise cannot proceed.	5
25	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.4(1)	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	3	<p>The current Network Access Agreement between the PPS and WP does not explicitly specify the network as the SWIS.</p> <p>However, the new Electricity Transfer Access Contract between PPS and WP, still in draft version, defines network as "those parts of the SWIS that are owned, operated or owned and operated by WP in respect of which access is given under this contract".</p> <p>Sighted the current Network Access Agreement as well as the draft Electricity Transfer Agreement Contract.</p>	3

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
					Recommendation: <ul style="list-style-type: none"> ▪ Finalise the Electricity Transfer Access Contract incorporating SWIS as the specified network (<i>Post Audit Implementation Plan item 3</i>) 	
26	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.4(2)	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	4	<p>PPS advised that there were 3 customer transfer requests to reverse an erroneous transfer made in error, one of which was rejected and manually corrected by WP.</p> <p>Sighted the transfer list on the WP's online portal and the relevant email correspondence between PPS and WP. Screenshot obtained.</p>	5
27	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.5(1)	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date.	4	<p>All data requests are submitted electronically via Western Power's online portal. A maximum of 20 data requests may be submitted during any business day.</p> <p>Sighted the portal and confirmed that an error message will display indicating number of requests submitted was exceeded, when over 20 requests a day. Screenshot obtained.</p>	5
28	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.6(3)	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	4	Confirmed by enquiry with PPS that none of their contestable customer's verifiable consent ceases to apply before the transfer occurred. Also, reviewed the PPS's customer records.	N/R
29	Electricity Industry (Licence Conditions) Regulations	Electricity Industry Customer Transfer Code clause 4.7	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer is to reverse an erroneous	4	<p>Confirmed with the PPS staff that PPS nominate a transfer date via WP's online portal of 3 days for business areas and 5 days for country areas.</p> <p>Confirmed previously with WP that the web portal does not allow a transfer date that is less than the allowed number of days. Each PPS</p>	5

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
	regulation 5(2)		transfer.		customer is classified as metropolitan. Sighted portal and confirmed that an error message will display indicating date not within allowed number of days. Screenshot obtained.	
30	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.8(2)	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	4	There were only 3 withdrawals of CTR during the audit period. PPS advised that none of these withdrawals involved the situation described in this clause. If this did happen, PPS would pay the cost of the meter. This is covered by the Metering Code Model Service Level Agreement (SLA) between WP and PPS. Sighted the SLA.	N/R
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.	4	<p>Interpretation – If there is any ground for objection, the date of resolution is the new deemed date of receipt of the customer transfer request (CTR). If, due to the time taken to resolve this objection, the transfer date is no longer compliant with clause 4.7, then the network operator and retailer must agree on a new transfer date.</p> <p>As confirmed with WP, WP has not objected to a CTR on the grounds specified in clause 4.9, therefore the network operator and retailer have not had to negotiate a new transfer date. The portal is built to apply the parameters of the Customer Transfer Code and does not allow a retailer to submit a CTR that is inconsistent with these rules.</p> <p>Clause 4.9(1):</p> <ul style="list-style-type: none"> (a) PPS have an access contract. (b) The portal will only allow a retailer to enter a NMI (“NMI” means the unique identifier assigned to a metering point) or meter number. If it does not match WP’s database, it will not allow the user to proceed. 	N/R

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					<p>(c) There are radio buttons on the CTR form and it does not allow the user to proceed to the next page unless at least one is selected. In addition, WP checks the meter on each CTR.</p> <p>(d) The portal will not accept a CTR that does not comply with these parameters.</p> <p>(e) The portal will not accept a CTR that does not comply with these parameters.</p>	
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.	4	<p>This is an obligation on WP to only proceed with the transfer if it complies with this requirement. If the meter is not read on the nominated transfer date, WP will notify the retailer and negotiate a new transfer date.</p> <p>PPS advised that all their CTR's have transferred on the requested date. This was confirmed by WP.</p>	N/R
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.	4	Sighted record of negotiations between PPS and WP regarding proposed amendments to the draft Electricity Transfer Agreement Contract.	5
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 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	4	<p>PPS advised that there were 3 customer transfer requests to reverse an erroneous transfer made in error, one of which was rejected and manually corrected by WP.</p> <p>From the copies of relevant email correspondence between PPS and WP it is obvious that steps were taken to ensure that an erroneous transfer would not have any effect on the rights and obligations of the affected customers. For example WP re-billed the invoice to PPS to remove the erroneous transfers from the bill.</p>	5

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			transfer not occurred.		Sighted the transfer list on the WP's online portal and the relevant email correspondence between PPS and WP. Screenshot obtained.	
44	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.16	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	3	<p>PPS started supplying their first electricity customer in February 2007.</p> <p>Confirmed by enquiry with PPS staff that PPS keeps soft copies of the verifiable consent received from their contestable customers on the system. Sighted sample of 4 verifiable consents received from the contestable customers.</p> <p>Relevant record retention and disposal requirements are included in the Records Management and Document Control policy and procedure which creates a part of the PPS Operational and Procedural Compliance Manual.</p>	5
45	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 4.17	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	3	<p>The Electricity Supply Agreement, signed with each customer, refers to the fact that customers will be pre-billed for lagging capacity charges from the IMO in the last billing period of their supply contract, in specific recognition of the fact that PPS is not allowed to bill anything after the end of the contract, as per the Customer Transfer Code. By making reference to this in the PPS customer contract, the PPS is outlining the procedure that will be followed at the completion of the customer's Electricity Supply Agreement.</p> <ul style="list-style-type: none"> ▪ None of the PPS customer contracts are due to end any time in the near future. 	N/R
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.	4	<p>The current Network Access Agreement (NAA) as well as draft Electricity Transfer Access Contract outlines WP's communication rules. PPS advised that communication with WP is mainly through the portal and emails.</p> <p>Sighted NAA, draft ETA Contract and WP's portal.</p>	5

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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.	4	PPS cannot request data or customer transfer without entering an NMI in the WP's portal. WP's portal sighted.	5
52	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request.	3	Relevant notification response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual. A register is not considered necessary but evidence of compliance should be retained. WP confirmed that no such requests were made.	N/R
53	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code clause 6.4(2)	A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.	3	PPS notified WP of a change in address of their office and telephone and fax numbers 10 days before the change took effect. A copy of the notification was provided to Audit for review by WP. However, no evidence was retained by PPS of the notification of change in contact details to WP and when the notification was provided. Relevant notification response times are included in the PPS Compliance Schedule of Events and the PPS Notification Response Times schedule that form part of the PPS Administration Procedure Manual. A register is not considered necessary but evidence of compliance should be retained. Recommendation: <ul style="list-style-type: none"> ▪ PPS to retain evidence of any notification of a change in PPS contact details to Western Power Networks, including the 	4

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					date the notification was made (<i>Post Audit Implementation Plan item 4</i>).	
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 communication address, in accordance with Annex 6.	4	PPS advised that they have registered an email address with WP. WP has registered the online portal. WP's portal sighted.	5
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.	3	PPS advised that there were no disputes during the reporting period. The requirement of this clause is outlined in the PPS Disputes, Complaints and Grievances policy and procedure that form part of the PPS Operational and Procedural Compliance Manual. The dispute resolution between PPS and IMO is governed by Market Rules. The dispute resolution between PPS and WP is governed by the Network Access Agreement (NAA) and the draft Electricity Transfer Access Contract (ETAC) between PPS and WP.	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) do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer to each disputing party who must attempt to resolve the dispute by negotiations in good faith.	3	PPS advised that there were no disputes during the reporting period. In accordance with the PPS Disputes, Complaints and Grievances policy and procedure that forms part of the PPS Operational and Procedural Compliance Manual, complaints or concerns from customers, suppliers, team members are to be submitted/forwarded to the Manager.	N/R
57	Electricity Industry	Electricity Industry	If the dispute is resolved, the disputing parties must prepare a	5	PPS advised that there were no disputes during the reporting period. The requirement of this clause is outlined in the PPS Disputes,	N/R

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	(Licence Conditions) Regulations regulation 5(2)	Customer Transfer Code clause 7.1(3)	written and signed record of the resolution and adhere to the resolution.		Complaints and Grievances policy and procedure that form part of the PPS Operational and Procedural Compliance Manual.	
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.	5	PPS advised that there were no disputes during the reporting period. The requirement of this clause is outlined in the PPS Disputes, Complaints and Grievances policy and procedure that form part of the PPS Operational and Procedural Compliance Manual.	NR
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)	5	PPS advised that there were no disputes during the reporting period. The PPS Disputes, Complaints and Grievances policy and procedure that forms part of the PPS Operational and Procedural Compliance Manual is consistent with the requirements of this clause.	NR
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.	4	The main communications systems to WP are their online portal and email. Both PPS representatives have Blackberries for sending and receiving emails at any time. Portal and Blackberries sighted. Confirmed with the PPS Information System Administrator that the mail server is a virtual server run on one of four physical servers, the virtual servers are hardware independent of the physical servers "Hosts". If one physical server fails any VM's running on it will be restarted on another host. Physical servers have redundant hard disks (mirrored), power supplies, and network cards. All disk storage is on a fibre channel Storage Area Network (SAN) which has built in redundancy, and everything is fed power by two different UPS's.	5
69	Electricity Industry	Electricity Industry	A network operator and retailer must establish a mechanism to generate	3	Confirmed with PPS staff that a response message to the Western Power - Networks is sent via the WP's online portal but this must be	2

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	(Licence Conditions) Regulations regulation 5(2)	Customer Transfer Code Annex 6 clause A6.2(b)	an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.		<p>triggered by a retail employee. There is a button to click to send an acknowledgement by PPS staff.</p> <p>PPS advised the Authority of this non-compliance in the PPS Compliance Report for the period 1st July 2008 to 30th June 2009.</p> <p>In this report PPS advised the Authority that PPS does not consider the cost of implementing an IT solution to be reasonable in the context of its small number of customers. There is no benefit to customers in automating these electronic messages.</p> <p>PPS also advised that no action has been taken by PPS to rectify the breach and that PPS will continue to monitor opportunities for compliance.</p> <p>Recommendation:</p> <ul style="list-style-type: none"> PPS should continue to monitor opportunities to fully comply with the licence obligation (<i>Post Audit Implementation Plan item 1</i>). 	
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.	4	<p>Confirmed via observation that WP's online portal requires all users to logon with a unique username and a password.</p> <p>Confirmed that PPS's staff names are noted in the email addresses sent to WP.</p> <p>Portal sighted.</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	4	WP's portal forces rules over data entry to ensure consistency over time. Portal sighted.	5

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			information by the addressee.			
78	Electricity Industry (Licence Conditions) Regulations regulation 6	Electricity Industry (Licence Conditions) Regulations regulation 6	The electricity corporation must offer to purchase renewable source electricity, under an approved contract, from an eligible customer who wishes to sell such electricity to the corporation.	N/A	PPS is not an electricity corporation.	N/A
79	Electricity Industry (Licence Conditions) Regulations regulation 7	Electricity Industry (Licence Conditions) Regulations regulation 7	The electricity corporation must, as soon as practicable after the end of each financial year, submit a written report to the Coordinator regarding its costs in purchasing renewable source electricity under approved contracts.	N/A	PPS is not an electricity corporation.	N/A
80	Electricity Industry (Licence Conditions) Regulations regulation 8(8)	Electricity Industry (Licence Conditions) Regulations regulation 8(8)	The electricity corporation must comply with a direction given by the Coordinator under regulation 8(5) of the Electricity Industry (Licence Conditions) Regulations to submit an appropriate amendment to its contract to provide for the purchase of renewable source electricity.	N/A	PPS is not an electricity corporation.	N/A
ELECTRICITY INDUSTRY ACT – LICENCE CONDITIONS AND OBLIGATIONS						
81	Retail Licence condition 22.1	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.	3	This Performance Audit is now being undertaken and will be completed within the prescribed time. PPS has developed and implemented a compliance schedule with audit dates included as part of the schedule of events to ensure regulatory timeframes are met.	5

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					The performance audit requirement and relevant timeframes are also included in the Performance Audit policy and procedure included in the PPS Operational and Procedural Compliance Manual.	
85	Retail Licence condition 4.1	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.	5	<p>Licence granted on 26 June 2006 and the requirement is for the invoices to be paid by 27 July of each year.</p> <p>Audit sighted invoices for 2008/09 and 2009/10 period and confirmed that PPS paid the licence fee in accordance with the Regulation.</p> <p>PPS has also developed and implemented a compliance schedule with payment dates included as part of the schedule of events to ensure regulatory timeframes are met.</p> <p>The relevant licence fees payment dates are also outlined in the Licence Fees policy and procedure included in the PPS Operational and Procedural Compliance Manual.</p>	5
86	Retail 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.	4	<p>PPS advised that they haven't had any outage notifications from their customers during the audit period.</p> <p>This is outside of PPS control as PPS is essentially a reseller of electricity supplies and does not have any plant and equipment. The distribution network for electricity supplies to PPS customers is provided through a service agreement with Western Power (WP). PPS can facilitate communication.</p> <p>Sighted Network Access Agreement with WP.</p>	N/R
87	Retail Licence condition 5.1	Electricity Industry Act section 41(6)	A licensee must pay the costs of taking an interest in land or an assessment over land.	4	PPS advised that they have no interest in land and no assessment over land took place.	N/R
88	Retail Licence condition 13.1	Electricity Industry Act	A retail or integrated regional licensee must not supply electricity to	N/A	Confirmed with PPS staff that no PPS customer is a "Customer" as defined in the Code of Conduct for the Supply of Electricity to Small	N/A

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		section 54(1)	a small use customer otherwise than under a standard form contract or a non-standard form contract.		Use Customers 2008 and PPS has never marketed to or supplied to such Customers.	
89	Retail Licence condition 14.4	Electricity Industry Act section 54(2)	A licensee must comply with any direction by the Authority to amend the standard form contract and do so within the period specified.	N/A	PPS is not required to have a standard form contract as it does not supply electricity to small use customers.	N/A
93	Retail Licence condition 17.1	Electricity Industry Act section 76	If a designation under section 71(1) of the Electricity Industry Act is in force a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.	N/A	Confirmed with PPS staff that PPS is not designated a supplier of last resort under the Act.	N/A
94	Retail Licence condition 19.1	Electricity Industry Act section 101	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.	N/A	Confirmed with PPS staff that no PPS customer is a "Customer" as defined in the Code of Conduct for the Supply of Electricity to Small Use Customers 2008 and PPS has never marketed to or supplied to such Customers. Therefore, PPS is not required to be a member of an approved scheme.	N/A
96	Retail 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.	4	Checked customer Electricity Supply Agreement for clauses that would result in the hindering or prohibiting of access. None found. Electricity Supply Agreement sighted.	5

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ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS						
97	Electricity Industry Act section 11	Retail Licence condition 6.1	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	N/A	Confirmed with PPS staff that no PPS customer is a "Customer" as defined in the Code of Conduct for the Supply of Electricity to Small Use Customers 2008 and PPS has never marketed to or supplied to such Customers. Sighted 2007/08 power usage sales figures for all PPS customers and confirmed that all PPS customer consumed more than 160MWh of electricity per annum.	N/A
98	Electricity Industry Act section 11	Retail Licence condition 6.2	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.	N/A	As above.	N/A
99	Electricity Industry Act section 11	Retail Licence condition 13.2	A licensee must, if directed by the Authority, review the standard form contract and submit to the Authority the results of that review within the time specified by the Authority.	N/A	As above.	N/A
100	Electricity Industry Act section 11	Retail Licence condition 13.3	A licensee must comply with any direction given by the Authority in relation to the scope, process and methodology of the standard form contract review.	N/A	As above.	N/A
101	Electricity Industry Act section 11	Retail Licence condition 14.1	A licensee may only amend the standard form contract with the Authority's approval.	N/A	PPS is not required to have a standard form contract as it does not supply electricity to small use customers.	N/A

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102	Electricity Industry Act section 11	Retail Licence condition 15.2	A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter within the timeframe specified, and submit to the Authority the results of that review within 5 days after it is completed.	N/A	PPS is not required to prepare a Customer Service Charter as it does not supply electricity to small use customers.	N/A
105	Electricity Industry Act section 11	Retail Licence condition 20.1	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.	4	Sighted the report from Ernst & Young titled "Wesfarmers Premier Coal Roll Forward Closing Report to Management for Year Ended 30 June 2009". The report confirms that the accounts have been financially audited and comply with AASB standards. The report for year ended 30 June 2010 is still in draft form and yet to be issued to management.	5
106	Electricity Industry Act section 11	Retail Licence condition 21.4	A licensee must comply with any individual performance standards prescribed by the Authority.	N/A	There are no individual performance standards prescribed in the PPS's Retail Licence.	N/A
107	Electricity Industry Act section 11	Retail Licence condition 22.2	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	3	Direct instructions from PPS to auditor to comply with the Authority's Audit Guidelines: Electricity, Gas and Water Licences. The requirement to comply with the audit guidelines set out in the Audit Guidelines: Electricity, Gas and Water Licences (July 2009) was also outlined in the Audit Plan.	5
109	Electricity Industry Act section 11	Retail Licence condition 23.1	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	3	Confirmed with the PPS staff that there has been no significant change to the circumstances upon which the licence was granted which may affect the licensee's ability its obligations under the licence during the audit period. PPS has also developed and implemented a compliance schedule	N/R

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
			which the licence was granted which may affect a licensee's ability to meet its obligations.		<p>with reporting response times to events included as part of the schedule of events to ensure regulatory timeframes are met.</p> <p>This reporting requirement and relevant response times are also included in the Reporting to the ERA: Compliance policy and procedure included in the PPS Operational and Procedural Compliance Manual.</p>	
110	Electricity Industry Act section 11	Retail Licence condition 24.1	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.	3	<p>In accordance with the Electricity Compliance Reporting Manual (July 2010), PPS must submit compliance reports to the Authority covering all of its type 2 licence obligations for each financial year (1 July to 30 June inclusive) by 31 August immediately following the financial year that is the subject of the report.</p> <p>Sighted the PPS Compliance Report for the period 1st July 2008 to 30th June 2009 and confirmed that the report was provided in the manner, time and format specified by the Authority. At the time of the audit, the PPS Compliance Report for 2009/10 period was not due yet.</p> <p>PPS has also developed and implemented a compliance schedule with compliance reporting timeframes included as part of the schedule of events to ensure regulatory timeframes are met.</p> <p>This reporting requirement and relevant response times are also included in the Reporting to the ERA: Compliance policy and procedure included in the PPS Operational and Procedural Compliance Manual.</p>	5
111	Electricity Industry Act section 11	Retail Licence condition 25.2	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.	4	<p>Confirmed with the PPS staff that there has been no direction by the Authority made for PPS to publish any information.</p> <p>The licensee does not specifically have a website established for the PPS. PPS is a wholly-owned subsidiary of Wesfarmers Premier Coal Ltd and part of the Wesfarmers Resources Division of Wesfarmers Ltd.</p>	N/R

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
					The publishing of information would be facilitated through the Wesfarmers Resources website.	
112	Electricity Industry Act section 11	Retail Licence condition 26.1	Unless otherwise specified, all notices must be in writing.	4	<p>The requirement that notices be in writing is specified in the Network Access Agreement between WP and PPS. Sighted the Network Access Agreement.</p> <p>Confirmed with the PPS staff that all communication is in writing through Western Power online portal and all other communication is via emails. Email communications are filed as appropriate.</p>	5
CODE OF CONDUCT – LICENCE CONDITIONS AND OBLIGATIONS				<p>This section is not applicable to PPS for the following reason:</p> <p>Confirm with PPS staff that no PPS customer is a “Customer” as defined in the Code of Conduct for the Supply of Electricity to Small Use Customers 2008 and PPS has never marketed to or supplied to such Customers.</p>		N/A
ELECTRICITY INDUSTRY METERING CODE – LICENCE CONDITIONS AND OBLIGATIONS						
326	Retail 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.	4	<p>This is covered by WP’s Metering Code Model Service Level Agreement.</p> <p>WP’s Metering Code Model Service Level Agreement sighted.</p>	5
336	Retail 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.	3	<p>PPS advised that they haven’t had any meter outage or malfunction notifications from their customers during the audit period.</p> <p>Relevant notification requirement and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual as well as in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.</p>	N/R

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
348	Retail 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.	4	This is covered by WP's Metering Code Model Service Level Agreement. WP's Metering Code Model Service Level Agreement sighted.	5
350	Retail 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.	N/A	PPS is not an electricity corporation.	N/A
359	Retail Licence condition 5.1	Electricity Industry Metering Code clause 3.27	A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.	4	WP manages the installation of meters under the Metering Code Model Service Level Agreement. WP's Metering Code Model Service Level Agreement sighted.	5
366	Retail 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	4	There is a process in the Electricity Supply Agreement whereby the customer and WP agree to what the consumption should have been. Large customers may also have sub-meters.	5

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
			discrepancy between energy data held in a metering installation and data held in the metering database.		PPS Proforma Electricity Supply Agreement sighted.	
367	Retail 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.	3	The WP Portal contains all the registry information. PPS advised that they would amend/update the information if they found it to be inaccurate. WP portal sighted. This requirement and relevant response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.	5
368	Retail Licence condition 5.1	Electricity Industry Metering Code clause 4.5(2)	If a code participant (other than a network operator) becomes aware of a change to or an inaccuracy in an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.	3	The portal has the standing data for each customer. All data changes are being transmitted through portal. WP portal sighted. PPS advise there were occasions of changes in tariffs and energised or de-energised status during the audit period. These changes were transmitted to WP through the portal within the timeframes prescribed. Relevant notification requirement and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.	5
380	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.4(2)	A user must, when reasonably requested by a network operator, use reasonable endeavours to assist the network operator to comply with the network operator's obligations.	4	Confirm with PPS and WP that this is not applicable to PPS as all the PPS customers' meters are being read remotely on a weekly basis.	N/A
382	Retail Licence	Electricity	A user must not impose any charge	4	PPS advised that they don't charge for providing data to customers.	5

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
	condition 5.1	Industry Metering Code clause 5.5(3)	for the provision of the data under this Code unless it is permitted to do so under another enactment.		Reviewed the PPS billing processes and confirmed compliant.	
393	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.16	A user that collects or receives energy data from a metering installation must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	N/A	As confirmed previously with WP, all PPS customers have automatic meters and no physical reading is required. PPS does not collect or receive any energy data from a metering installation.	N/A
394	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.17(1)	A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	5	This is covered by the Electricity Supply Agreement. Sighted PPS Proforma Electricity Supply Agreement.	5
395	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.18	A user that collects or receives information regarding a change in the energisation status of a metering point must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.	N/A	PPS may trigger a change but do not collect any of the data. As previously confirm with WP, changes in energisation status are conducted by WP based on the PPS request.	N/A
396	Retail Licence condition 5.1	Electricity Industry	A user must, when requested by the network operator acting in	4	PPS advised that there were two occasions where WP requested PPS	5

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
		Metering Code clause 5.19(1)	accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere.		to confirm their customer's current contact details. WP confirmed that PPS responded to any such requests adequately.	
397	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(2)	A user must, to the extent that it is able, collect and maintain a record of the address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.	4	The front page of the contract with customers has this. The WP portal requires all of these details as compulsory fields. WP Portal sighted.	5
398	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(3)	A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.	3	All data changes transmitted through the portal. PPS advise that there were no changes in site prescribed attributes (the NMI of each metering point at the site). WP confirmed that they are satisfied that PPS hasn't had to notify WP of NMI changes and that WP is confident that PPS would do so when the need arise. Relevant notification requirement and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.	N/R
399	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(4)	A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the network operator's Network Operations Control Centre of the fact.	4	PPS advised that they do not have any customers of this nature. PPS only takes on contestable customers and it is unlikely that any of their current customers would have a sensitive load. This was also confirmed by WP. Therefore, a formal annual check with their current customers re sensitive loads is not considered necessary. However, relevant notification requirement and response times were	N/R

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
					included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also in the Reporting and Provision of Information to the Network Operator policy and procedure forming part of the PPS Operational and Procedural Compliance Manual. This is considered to be an adequate control.	
401	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.19(6)	A user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.	4	The WP's online portal facilitates the notification of the change in attributes. PPS advised that there were no changes in attributes as a result of the provision of standing data by WP. Relevant notification requirement and response times are included in the Reporting and Provision of Information to the Network Operator policy and procedure that forms a part of the PPS Operational and Procedural Compliance Manual.	N/R
407	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.21(5)	A Code participant must not request a test or audit unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	4	PPS advised that they have not completed or requested a test or audit. This was also confirmed by WP. WP's Metering Code Model Service Level Agreement sets out terms and conditions upon which WP will provide the metering services to the user. SLA sighted.	N/R
408	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.21(6)	A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.	4	PPS advised that they have not completed or requested a test or audit. This was also confirmed by WP. WP's Metering Code Model Service Level Agreement sets out terms and conditions upon which WP will provide the metering services to the user. SLA sighted.	N/R
426	Retail Licence condition 5.1	Electricity Industry Metering Code clause 5.27	Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes	3	In accordance with the Code the user must provide the information requested in accordance with the communication rules within 2 business days after receiving the request (or such other time as is specified in the applicable service level agreement). No other times are specified in the Network Access Agreement, draft ETAC or WP's	2

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
			prescribed.		<p>Metering Code Model SLA.</p> <p>Relevant notification requirement and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.</p> <p>PPS advised that there were two occasions where WP requested PPS to confirm their customer's current contact details. This was confirmed by WP. Although, PPS responded to one of the requests the same day, the other request was actioned within 5 business days instead of required 2 business days.</p> <p>Recommendation:</p> <ul style="list-style-type: none"> PPS to ensure that all requests to provide the network operator with customer attribute information are actioned within 2 business days (Post Audit Implementation Plan item 2). 	
433	Retail Licence condition 5.1	Electricity Industry Metering Code clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	3	<p>Sighted the Metering Code Model Service Level Agreement and Network Access Agreement between PPS and WP.</p> <p>The reference to the Metering Code Model Service Level Agreement and Network Access Agreement between WP and PPS is now included in the PPS Operational and Procedural Compliance Manual.</p>	5
435	Retail 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	4	<p>The Network Access Agreement has PPS contact details including address, telephone and facsimile number. The draft Electricity Transfer Access Contract has contact details for primary contact from PPS including name, email, address and fax number.</p> <p>There is no phone number listed in the ETAC. However, the WP's online portal contains details of both key contacts from PPS including</p>	5

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
			telephone number for voice communication in connection with the Code.		their mobile phone numbers and email addresses. The Network Access Agreement and the draft Electricity Transfer Access Contract sighted.	
437	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.2(4)	A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.	3	<p>Relevant notification response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual. Also, in the Reporting and Provision of Information to the Network Operator policy and procedure included in the PPS Operational and Procedural Compliance Manual.</p> <p>Register not considered necessary but evidence of compliance should be retained. WP confirmed that no such requests were made.</p>	N/R
438	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect.	3	<p>PPS notified WP of a change in address of their office and a telephone and fax numbers 10 days before the change took effect. Copy of the notification was provided to audit for review by WP. However, no evidence was retained by PPS of the notification of change in contact details to WP and when the notification was provided.</p> <p>Relevant notification response times are included in the PPS Compliance Schedule of Events and the PPS Notification Response Times schedule that form part of the PPS Administration Procedure Manual.</p> <p>Register is not considered necessary but evidence of compliance should be retained.</p> <p>Recommendation:</p> <ul style="list-style-type: none"> ▪ PPS to retain evidence of any notification of a change in PPS contact details to Western Power Networks, including the date the notification was made (<i>Post Audit Implementation Plan item 4</i>). 	4

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
439	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.5	A Code participant must not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	4	The Network Access Agreement between PPS and WP contains provisions on exchanging and disclosing confidential information. Network Access Agreement sighted.	5
440	Retail Licence condition 5.1	Electricity Industry Metering Code clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	4	As above.	5
441	Retail 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.	4	Advised by PPS that there had not been any disputes at the time of the audit. The Metering Code Model Service Level Agreement between WP and PPS outlines the dispute procedure. Reviewed the SLA for adequacy of the dispute procedure and confirmed that the SLA requires any dispute in connection to the SLA to be resolved in accordance with the provisions set out in Part 8 of the Code.	N/R
442	Retail 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.	4	Advised by PPS that there had not been any disputes at the time of the audit. The Metering Code Model Service Level Agreement between WP and PPS outlines the dispute procedure. Reviewed the SLA for adequacy of the dispute procedure and confirmed that the SLA requires any dispute in connection to the SLA to be resolved in accordance with the provisions set out in Part 8 of the Code.	N/R

No. (per Compliance Reporting Manual 2010)	Licence Condition	Obligation Under Condition	Description	Audit Priority (1=highest, 5=lowest)	System established to comply with licence obligation (including any potential improvements)	Compliance rating (Refer to the 7-point rating scale in section 2.5)
443	Retail 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.	4	<p>Advised by PPS that there had not been any disputes at the time of the audit.</p> <p>The Metering Code Model Service Level Agreement between WP and PPS outlines the dispute procedure. Reviewed the SLA for adequacy of the dispute procedure and confirmed that the SLA requires any dispute in connection to the SLA to be resolved in accordance with the provisions set out in Part 8 of the Code.</p>	N/R
444	Retail 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.	5	<p>Advised by PPS that there had not been any disputes at the time of the audit.</p> <p>The Metering Code Model Service Level Agreement between WP and PPS outlines the dispute procedure. Reviewed the SLA for adequacy of the dispute procedure and confirmed that the SLA requires any dispute in connection to the SLA to be resolved in accordance with the provisions set out in Part 8 of the Code.</p>	N/R
445	Retail 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.	5	<p>Advised by PPS that there had not been any disputes at the time of the audit.</p> <p>The Metering Code Model Service Level Agreement between WP and PPS outlines the dispute procedure. Reviewed the SLA for adequacy of the dispute procedure and confirmed that the SLA requires any dispute in connection to the SLA to be resolved in accordance with the provisions set out in Part 8 of the Code.</p>	N/R

3.4 Integrity of Performance Reporting

In accordance with the Electricity Compliance Reporting Manual 2010, PPS must submit compliance reports to the Authority covering all of its type 2 licence obligations for each financial year (1 July to 30 June inclusive) by 31 August immediately following the financial year that is the subject of the report.

The audit confirmed that PPS has complied with its compliance reporting obligation for the period 1st July 2008 to 30th June 2009. The compliance report for 2009/10 was not due at the time of the audit.

The audit confirmed that PPS has established adequate internal controls to ensure that documentation is prepared and submitted to the relevant authorities on time.

A compliance schedule with compliance reporting timeframes included as part of the schedule of events has been developed and implemented by PPS to ensure regulatory timeframes are met.

The compliance reporting requirement and relevant response times were also included in the Reporting to the ERA: Compliance policy and procedure that forms part of the PPS Operational and Procedural Compliance Manual.

3.5 Recommended Changes to the Licence

No changes to the licence are considered necessary.

4. Conclusion

Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that Premier Power Sales Pty Ltd has complied with its Retail Licence performance and quality standards during the audit period 1st July 2008 to 30th June 2010 apart from two exceptions:

1. Licence Clause 5.1 (Electricity Industry Customer Transfer Code Annex 6 Clause A6.2(b)) - Not establishing a mechanism to generate an automated response message for each electronic communication received at the electronic communication address. Currently a PPS employee must trigger the response rather than being an automated response; and.
2. Licence Clause 5.1 (Electricity Industry Metering Code 2005 Clause 5.27) – Not providing the network operator, upon request, with customer attribute information within the timeframes prescribed since one response took 5 business days rather than within 2 business days.

Since the previous audit, PPS has considerably improved their internal controls to ensure compliance with the licence obligations, including the development of comprehensive policies and procedures and a schedule of compliance notifications/events. The current internal control environment is considered to be adequate and there were no new recommendations for improvement made. Several previous audit recommendations not yet implemented have been included in this report.

The Post Audit Implementation Plan in Appendix A provides a summary of the issues and recommendations from the audit with responses from PPS.

Appendix A - Post Audit Implementation Plan 2010

No. (Obligation number per Compliance Reporting Manual 2010)	Description of Licence Condition	Compliance Rating	Issue	Recommendation	Management Response	Person Responsible and Completion Date
1 (69)	<p>Compliance with Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)</p> <p>A network operator and 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.</p>	2	<p>Confirmed with PPS staff that a response message to the Western Power Networks is sent via WP's online portal but this must be triggered by a retail employee. There is a button to click to send an acknowledgement by PPS staff.</p> <p>PPS advised the Authority of this non-compliance in the PPS Compliance Report for the period 1st July 2008 to 30th June 2009.</p> <p>In this report PPS advised the Authority that PPS does not consider the cost of implementing an IT solution to be reasonable in the context of its small number of customers. There is no benefit to customers in automating these electronic messages.</p> <p>PPS also advised that no action has been taken by PPS to rectify the breach and that PPS will continue to monitor opportunities for compliance.</p>	PPS should continue to monitor opportunities to fully comply with the licence obligation.	PPS will continue to monitor opportunities to fully comply with the license obligation, however currently sees no benefit to customers in automating a response to electronic messages from Western Power Networks. PPS will continue to manually reply to electronic messages received via the portal.	<p>Person Responsible Paul Keay</p> <p>Completion Date N/A</p>
2 (426)	<p>Compliance with Electricity Industry Metering Code 2005 clause 5.27</p> <p>Upon request, a current user must provide the network operator with</p>	2	<p>Relevant notification requirements and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual as well as in the Reporting and Provision of Information to the Network Operator policy and the procedure included in the PPS Operational and Procedural</p>	PPS to ensure that all requests to provide the network operator with customer attribute information are actioned within 2 business days.	PPS recognises the need to respond to Western Power within 2 business days when requests for customer contact details are made and will ensure compliance with this requirement in relation to	<p>Person Responsible Paul Keay</p> <p>Completion Date Complete</p>

No. (Obligation number per Compliance Reporting Manual 2010)	Description of Licence Condition	Compliance Rating	Issue	Recommendation	Management Response	Person Responsible and Completion Date
	customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.		<p>Compliance Manual.</p> <p>PPS advised that there were two occasions where WP requested PPS to confirm their customer's current contact details. This was confirmed by WP. Although, PPS responded to one of the requests the same day, the other request was actioned within 5 business days instead of the required 2 business days.</p>		any future requests.	
<p>3 (25)</p> <p>(55)</p>	<p>Compliance with Electricity Industry Customer Transfer Code clause 4.4(1)</p> <p>A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.</p> <p>Compliance with Electricity Industry Customer Transfer Code clause 7.1(1)</p> <p>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</p>	3	<p>The current Network Access Agreement between PPS and WP does not explicitly specify the network as the SWIS.</p> <p>However, the new Electricity Transfer Access Contract between PPS and WP, still in draft version, defines network as "those parts of the SWIS that are owned, operated or owned and operated by WP in respect of which access is given under this contract".</p> <p>Also, the draft contract has not been updated in respect of dispute resolution statements that do not conform with the requirements of the Customer Transfer Code (ie. meet within 5 business days of a request, escalate disputes if not resolved in 10 business days and have a written and signed record of the resolution).</p>	<p>Finalise the Electricity Transfer Access Contract incorporating:</p> <ul style="list-style-type: none"> • SWIS as the specified network; and • The dispute resolution requirements of Customer Transfer Code. 	A revised ETAC was received by PPS from Western Power Networks on 12 July 2010. PPS will review the ETAC and respond accordingly.	<p>Person Responsible Paul Keay</p> <p>Completion Date 1 March 2011</p>

No. (Obligation number per Compliance Reporting Manual 2010)	Description of Licence Condition	Compliance Rating	Issue	Recommendation	Management Response	Person Responsible and Completion Date
(56)	<p>another disputing party and attempt to resolve the dispute by negotiations in good faith.</p> <p>Compliance with Electricity Industry Customer Transfer Code clause 7.1(2)</p> <p>If the negotiations in 7.1(1) do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer to each disputing party who must attempt to resolve the dispute by negotiations in good faith.</p>					
(57)	<p>Compliance with Electricity Industry Customer Transfer Code clause 7.1(3)</p> <p>If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.</p>					

No. (Obligation number per Compliance Reporting Manual 2010)	Description of Licence Condition	Compliance Rating	Issue	Recommendation	Management Response	Person Responsible and Completion Date
4 (53)	<p>Compliance with Electricity Industry Customer Transfer Code clause 6.4(2)</p> <p>A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.</p>	4	<p>PPS notified WP of a change in address of their office and a telephone and fax numbers 10 days before the change took effect. A copy of the notification was provided to Audit. However, no evidence was retained by PPS of the notification of change in contact details to WP and when the notification was provided.</p> <p>Relevant notification response times are included in the PPS Compliance Schedule of Events and the PPS Notification Response Times schedule that form part of the PPS Administration Procedure Manual.</p> <p>A register is not considered necessary but evidence of compliance should be retained.</p>	PPS to retain evidence of any notification of a change in PPS contact details to Western Power Networks, including the date the notification was made.	PPS agrees with the recommendation and will retain evidence of any future changes of details, including evidence of the date of notification.	<p>Person Responsible Paul Key</p> <p>Completion Date Complete</p>
4 (438)	<p>Compliance with Electricity Industry Metering Code 2005 clause 7.2(5)</p> <p>A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect.</p>					