



Economic Regulation Authority

Promoting fair prices, quality services and choice

INFORMATION

ROTTNEST ISLAND AUTHORITY

PERFORMANCE AUDIT AND ASSET MANAGEMENT SYSTEM REVIEW REPORT

The Economic Regulation Authority today published the 2011 performance audit and asset management system review report for Rottneest Island Authority's (RIA) electricity integrated regional licence (EIRL3). The post-audit implementation plan and post-review implementation plan are included in the audit and review report.

Performance Audit

The Authority is concerned about the non-compliances disclosed in the performance audit and the asset management system deficiencies identified in the asset management system review.

The performance audit identified that RIA had not informed customers of RIA's obligation to make payments for failure to meet the required service standards for reconnections, disconnections, customer complaints, the provision of notice for planned interruptions and the duration of interruptions. Additionally, some prescribed information (i.e. the due date and a consumption graph or bar chart) was not provided on the customer's bill. The Authority considers that the protections available to customers under the *Code of Conduct for the Supply of Electricity to Small Use Customers* and the *Electricity Industry (Network Quality and Reliability of Supply) Code* are being compromised when customers are not being properly informed of the service level payments available or are being issued bills with incomplete information.

The performance audit also identified that RIA has failed to adequately test its meters and metering installations as required by the *Electricity Industry Metering Code 2005*. The Authority considers that insufficient monitoring of meters and metering installations increases the risk of incorrect customer billing.

Asset Management System Review

The asset management system review provided details of inadequate maintenance planning and recordkeeping for overhead assets such as transmission lines and found that contingency plans were not adequately tested. The Authority considers that a lack of appropriate maintenance planning and maintenance recordkeeping for transmission lines and a lack of testing of contingency plans could compromise the reliability of RIA's electricity supply.

The Authority requires RIA to provide the Authority with a report on the progress it has made towards addressing the actions in the post-audit implementation plan and post-review implementation plan, by 15 July 2012. Subject to receiving a satisfactory report, the Authority has decided to maintain the period of time until the next performance audit and asset management system review of RIA's electricity integrated regional licence at 24 months. This decision will be revisited when RIA has provided the progress report to the Authority.

A copy of the performance audit report and asset management system review report (including the post-audit implementation plan and post-review implementation plan) is available on the Authority's [website](#).

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