



# Performance Audit Report

**Regional Power Corporation (Horizon Power)  
Electricity Integrated Regional Licence (EIRL2)**



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28 August 2017

Dear Liang

### **Electricity Integrated Regional Licence (EIRL 2) Performance Audit Report**

We have completed the Electricity Integrated Regional Licence Performance Audit for Horizon Power for the period 1 April 2015 to 31 March 2017 and are pleased to submit our report to you.

We confirm that this report is an accurate presentation of the findings and conclusions from our audit procedures.

If you have any questions or wish to discuss anything raised in the report, please contact Susan Clark on 9263 7431 or myself on 9263 7271.

Yours sincerely

Travis McAuliffe  
Partner

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# Abbreviations

<b>Abbreviation</b>	<b>Definition</b>
AMI	Advanced Metering Infrastructure
Authority	Economic Regulation Authority
CAIDI	Customer Average Interruption Duration Index
CS10	Document Management System
CSR	Customer Service Representative
DCP	Department of Child Protection
EFT	Electronic File Transfer
Ellipse	Enterprise Accounting Management System
FIT	Solar Feed-in Tariff
HUGS	Hardship utility grant scheme
IMO	Independent Market Operator
mData21	Metering Database
NCML	National Credit Management Limited
NMI	National Metering Identifier
NQRS	Network Quality and Reliability of Supply
OAG	The Office of the Auditor General
PUO	Public Utility Office
QoS	Quality of Supply
REBS	Renewable energy buyback scheme
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCADA	Supervisory Control and Data Acquisition
Serviceworks/ ComputerShare	Outsourced Customer Service Centre
SFTP	Secure File Transfer Protocol
SGCIS	Smart Grid CIS
the Code	Electricity Industry (Metering) Code 2012
TR301	Treasury Ruling 301
TTY	Teletypewriter
Velocity	Billing System
WACOSS	Western Australia Council of Social Services
WADCM	Western Australia Distribution and Connection Manual
WEM	Whole Electricity Market

# 1. Independent Auditor's Report

With the approval of the Economic Regulation Authority (**the Authority**) Regional Power Corporation (**Horizon Power**) engaged KPMG to conduct a performance audit of Horizon Power's compliance with the conditions of its Electricity Integrated Regional Licence (**EIRL2**).

KPMG conducted the performance audit as a reasonable assurance engagement in accordance with the specific requirements of the EIRL2 Version 21, 27 July 2015 and the April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (**Audit Guidelines**).

## **Horizon Power's responsibility**

Horizon Power is responsible for:

- Complying with the EIRL2. This responsibility includes establishing and maintaining internal controls that are adequately designed and operated effectively to ensure compliance with EIRL2.
- Evaluating the effectiveness of these control procedures in relation to the Audit which are included in the EIRL2 control register as detailed in the Audit plan presented and approved by the Authority on 7 April 2017.
- Preparing and presenting of accurate and complete documentation in compliance with the licence conditions in EIRL2.

## **KPMG's responsibility**

Our responsibility is to express a conclusion in respect of the adequacy and effectiveness of Horizon Power's systems, processes, governance structures and reporting regimes to enable compliance with the obligations, standards, outputs and outcomes stipulated in the EIRL2.

The reasonable assurance engagement has been conducted in accordance with the Audit Guidelines and applicable Australian Standards on Assurance Engagements, in order to state whether, in our opinion, based on the procedures performed, Horizon Power has, in all material respects, adequate and effective systems, processes, governance structures and reporting regimes to enable compliance with the conditions in EIRL2 as outlined in the approved Audit Plan (dated 7 April 2017) for the period 1 April 2015 to 31 March 2017.

Our procedures consisted primarily of:

- Utilising the Audit and Review Guidelines: Electricity and Gas Licences (April 2014) and Electricity Compliance Reporting Manual (October 2016) as a guide for development of a risk assessment, and document review to assess controls.
- Development of an Audit Plan for approval by the Authority and an associated work programme, set out in section 2.4.
- Interviews with and representations from relevant Horizon Power staff to gain an understanding of process controls.
- Review of documents and walkthrough of processes, systems, governance structures and reporting regimes to assess the effectiveness of the control environment in supporting the overall assessment of compliance in accordance with Licence obligations.
- Sample testing where relevant for obligations rated as an Audit Priority 4 and above in the approved Audit Plan.

## **Limitations of use**

This report is intended solely for the information and internal use of Horizon Power, and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report.

We understand that a copy of this report will be provided to the Authority for the purpose of reporting on the performance audit for Horizon Power's Licence. We agree that a copy of this report may be provided to the Authority for its information in connection with this purpose but only on the basis that we accept no duty, liability or responsibility to the Authority in relation to the report. We accept no duty, responsibility or liability to any party, other than Horizon Power, in connection with the report or this engagement.

## **Inherent limitations**

Because of the inherent limitations in evidence gathering procedures and any system of internal controls it is possible that fraud, errors or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the EIRL2, as the reasonable assurance engagement is not performed continuously throughout the audit period and the procedures performed in respect of compliance with EIRL2 are undertaken on a test basis.

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

## **Conclusion**

In our opinion, based on the procedures performed and except for the effect of the issues set out in section 5, Horizon Power has, in all material respects, an effective control and reporting environment to enable compliance with the conditions of its Licence as outlined in the approved Audit Plan (dated 7 April 2017) for the period 1 April 2015 to 31 March 2017.

## **KPMG**

Travis McAuliffe  
Partner  
Perth, 22 August 2017

# 2. Executive Summary

## 2.1. Introduction

This document presents the findings emanating from Regional Power Corporation trading as Horizon Power ("Horizon Power") Electricity Integrated Regional Licence ("EIRL2") Version 21, 27 July 2015 Performance Audit ("Audit"). There were no major changes to EIRL2 since the previous Audit.

Horizon Power operates as a generator, distributor and retailer. Horizon Power is the sole supplier and retailer of electricity to more than 47,000 connections, supplying more than 100,000 residents and more than 10,000 businesses in regional towns and remote communities across Western Australia.

Horizon Power operate 38 power systems, with more than 30 isolated power systems across the State and three interconnected systems in the Pilbara, East Kimberley and the Esperance region with regional offices based in Karratha, Broome, Kununurra, Carnarvon, Esperance and Port Hedland, with corporate support being delivered from Bentley.

The Audit covered the period 1 April 2015 to 31 March 2017. The Audit was undertaken in accordance with the Audit plan that was presented and approved by the Authority on 5 April 2017.

## 2.2. Objectives

The Audit objective was to evaluate the adequacy and effectiveness of the measures taken by Horizon Power to meet the performance obligations and quality standards referred to in EIRL2 Version 21, 27 July 2015. To this end, the Audit focused on Horizon Power's systems, processes, governance structures, reporting regimes and regulatory culture to enable compliance with the obligations, standards, outputs and outcomes stipulated in the EIRL2.

## 2.3. Scope

The scope of the Audit required an assessment of Horizon Power's systems, the effectiveness of its processes, and an appraisal of Horizon Power's use of regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the EIRL2. The Audit aimed to identify areas where remedial action is required and recommend corrective action as necessary. In addition, the Audit provided commentary on Horizon Power's culture of regulatory compliance.

The scope required an assessment of the adequacy and effectiveness of Horizon Power's performance against the licence requirements for the period 1 April 2015 to 31 March 2017 for EIRL2. These were assessed by considering:

- 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 prescribed in the licence 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 compliance and performance reporting – the completeness and accuracy of the reporting to the Authority.
- Compliance with any individual licence conditions – the requirements imposed on the specific licensee or specific issues to follow up that are advised by the Authority.

The key legislation, regulations and codes that govern Horizon Power's electricity retail operations are:

- Electricity Compliance Reporting Manual September 2014
- Electricity Compliance Reporting Manual October 2016
- Electricity Industry Customer Transfer Code 2004
- Electricity Industry (Licensing Fees) Regulations 2005
- Electricity Industry (Obligation to Connect) Regulations 2005
- Electricity Industry (Licence Conditions) Regulations 2005
- Electricity Industry (Customer Contracts) Regulations 2005
- Electricity Industry (Code of Conduct) Regulations 2005
- Electricity Industry (Customer Contracts) Regulations 2005
- Electricity Industry (Ombudsman Scheme) Regulations 2005
- Electricity Industry Act 2004
- Electricity Integrated Regional Licence EIRL2
- Code of Conduct for the Supply of Electricity to Small Use Customers 2015
- Code of Conduct for the Supply of Electricity to Small Use Customers 2016
- Electricity Industry Metering Code 2012
- Economic Regulation Authority (Licensing Funding) Regulations 2014

## 2.4. Audit Planning Approach

In developing the Audit plan, KPMG adopted a risk based approach, consistent with the Authority’s mandatory methodology for assessing risk, which is based on Australian/New Zealand Standard 31000:2009 (Risk Management – Principles and Guidelines).

The diagram below provides a snapshot of the approach adopted in arriving at the Plan.



### Step 1 – Establish the context

This step was undertaken in order to understand Horizon Power’s business objectives, organisational structure, the regulatory framework, underlying systems and processes. Furthermore, this step allowed KPMG to understand Horizon Power’s risk management culture and appetite. The key output



from this step was the understanding and validation of Horizon Power’s EIRL2 compliance obligation registers that were used as the basis in carrying out subsequent steps, as noted below.

**Step 2 – Identify Risks**

KPMG examined the licence conditions, and identified the risks that may affect compliance with these conditions. As part of this, KPMG considered where, when, why and how events could prevent, degrade or delay compliance with the licence obligations. Risk analysis was centred on the compliance risks as tabled below:

Type of Risk	Description
Supply quality and reliability	Delays in new connections, excessive supply interruptions, supply quality standards not met.
Consumer protection	Customer service levels not met, incorrect bills, disconnection and reconnection standards not met, customers unable to access financial hardship assistance.
Legislation/licence	Breach of industry Acts, regulations and codes, contravention of licence conditions.

Table 1: Compliance Risks

**Step 3 – Risk Analysis**

A two stage approach was adopted in analysing compliance risks:

- Firstly, KPMG identified the consequences and likelihood of the inherent risks to give an overall inherent risk rating.
- Secondly, KPMG identified and assessed the strength of the existing internal controls that mitigate the inherent risks.

## 2.5. Consequence

The consequences of the risk occurring was assessed using the 3-point rating scale described in the table below. The more significant the consequences, the higher the rating value allocated.

	<b>Rating</b>	<b>Non-compliance</b>		
	<b>Supply quality and reliability</b>	<b>Consumer protection</b>	<b>Breaches of legislation or other licence conditions</b>	<b>Supply quality and reliability</b>
1	Minor	Breaches of supply quality or reliability standards – affecting small number of customers. Delays in providing a small proportion of new connections.	Customer complaints procedures not followed in a few instances. Small percentage of disconnections or reconnections not completed on time. Small percentage of bills not issued on time.	Legislative obligations or licence conditions not fully complied with, minor impact on customers or third parties Compliance framework generally fit for purpose and operating effectively.
2	Moderate	Supply quality breach events that significantly impact customers; large number of customers affected and/or extended duration and/or damage to customer equipment. Supply interruptions affecting significant proportion of customers on the network for up to one day. Significant number of customers experiencing excessive number of interruptions per annum. Significant percentage of new connections not provided on time/ some customers experiencing extended delays.	Significant percentage of complaints not being correctly handled. Customers not receiving correct advice regarding financial hardship. Significant percentage of bills not issued on time. Ongoing instances of disconnections and reconnections not completed on time, remedial actions not being taken or proving ineffective. Instances of wrongful disconnection.	More widespread breaches of legislative obligations or licence conditions over time. Compliance framework requires improvement to meet minimum standards.
3	Major	Supply interruptions affecting significant proportion of customers on the network for more than one day. Majority of new connections not completed on time/ large number of customers experiencing extended delays.	Significant failure of one or more customer protection processes leading to ongoing breaches of standards. Ongoing instances of wrongful disconnection.	Wilful breach of legislative obligation or licence condition. Widespread and/or ongoing breaches of legislative obligations or licence conditions. Compliance framework not fit for purpose, requires significant improvement.

Table 2: Consequence Rating

## 2.6. Likelihood

The likelihood was assessed using the 3-point rating scale described in the table below:

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

Table 3: Likelihood Rating

## 2.7. Inherent Risk

The inherent risk was arrived through the combination of the consequence rating and the likelihood rating. The inherent risk rating that was used is depicted in the table below:

Likelihood	Consequence		
	1. Minor	2. Moderate	Major
A. Likely	Medium	High	High
B. Probable	Low	Medium	High
C. Unlikely	Low	Medium	High

Table 4: Inherent Risk Rating - Consequence

Described below are the inherent risk ratings:

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

Table 5: Inherent Risk Rating

### Step 4 - Identify and assess internal controls

Once the inherent risks were identified and classified, KPMG undertook a high level assessment of the internal controls that are in place to mitigate each inherent risk.

The table below describes the preliminary adequacy rating for existing controls:

Level	Description
Strong	Controls that mitigate the identified risks to an appropriate level
Moderate	Controls that only cover significant risks; improvement required
Weak	Controls are weak or non-existent and have minimal impact on the risks

Table 6: Adequacy Rating

### Step 5 – Assign audit priority ratings

The next stage in the audit planning process was to determine audit priorities for each of the licence conditions based on the combined rating for inherent risk and control adequacy. The prescribed 5 level audit priority scale was used:

	Preliminary Adequacy of Existing Controls		
	Weak	Moderate	Strong
Inherent Risk	High	Audit priority 1	Audit priority 2
	Medium	Audit priority 3	Audit priority 4
	Low	Audit priority 5	

Table 7: Audit Priority

KPMG has adopted a singular approach by considering Horizon Power’s control register which maps each licence condition to an associated control(s), undertook a risk assessment which included consideration and past compliance performance to determine an audit priority for each licence obligation.

<b>Risk Rating</b>	<b>EIRL2 Risk Ranking by Obligation</b>
High	31
Medium	308
Low	42
Not Applicable	116
TOTAL	497

Table 8: Risk Assessment Outcomes

The table below summarises the outcome of the audit priority assessment process.

<b>Audit Priority Rating</b>	<b>EIRL2 Audit Priority by Obligation</b>
Priority 1	23
Priority 2	23
Priority 3	8
Priority 4	286
Priority 5	41
Not Applicable	116
TOTAL	497

Table 9: Audit Priority by Obligation

## 2.8. Audit Plan Approval

Following the completion of the risk workshops and supporting activities, each obligation was reviewed and risk prioritised according to its inherent risk rating using the Authority’s methodology. The relevant management team members confirmed the applicable risk and control ratings prior to completion of the Audit plan. In addition Horizon Power identified areas of Audit focus on specific obligations which was reflected in the Audit plan approved by the Authority.

The final Audit Plan was approved by the Authority on 7 April 2017.

## 2.9. Execution of the Audit Plan

The execution stage comprised a singular audit priority assessment of each obligation. Testing took the form of interviews, walkthroughs, document reviews, process and system output reviews, observations and discussion, and substantive testing within requisite areas, with the testing being based on our sample test population. The nature of our testing and various sample sizes are detailed below:

<b>Audit Priority</b>	<b>Nature of Testing</b>	<b>Sample Size (where relevant)</b>
1	Inquiry, inspection and re-performance (where possible)	20
2	Inquiry, observation and inspection	15
3	Inquiry, observation and inspection	10
4	Inquiry and observation	5
5	Inquiry and observation	1

Table 10: Nature of Testing and Sample Size

A list of the licensee’s representatives who participated in the Audit is provided in Appendix 1.

A list of key documents and other information sources examined during the course of the Audit is provided in Appendix 2.

We have reported an adequacy of controls rating and compliance rating for applicable obligations using the following structure in line with the Authority's guidelines:

<b>Performance audit compliance and controls rating scales</b>			
<b>Adequacy of Controls Rating</b>		<b>Compliance Rating</b>	
<b>Rating</b>	<b>Description</b>	<b>Rating</b>	<b>Description</b>
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties
N/P	No activity has taken place to exercise the obligation during the audit period therefore not performed.	N/R	No relevant activity during the audit period therefore obligation not rated.
N/A	Obligation was identified as not being applicable during the course of the audit	N/A	Obligation identified as not being applicable during the course of the audit

Table 11: Compliance and Controls Rating Scales

## 2.10. Audit Team Members and Time Undertaken to Complete Audit

The following table outlines the auditor's personnel who undertook the audit and time taken to complete the audit procedures. Fieldwork commenced on 10 April 2017 and was completed on 26 May 2017.

<b>Audit Members</b>	<b>Hours</b>
Travis McAuliffe, Engagement Partner	22
Jeeva Maistry, Quality Assurance Partner	7
Susan Clark, Engagement Manager	75
Jonathan Tukimin, Senior Consultant	280
Justin Sutrisno, Senior Consultant	212
Ricky Cheng, Consultant	235
Grant Voigt, Consultant	194
Rebecca Gamble, Consultant	53
Total	1,078

Table 12: Audit Members and Hours

## 2.11. Culture of Compliance

Through conducting the 2017 EIRL2 Performance Audit, we note that Horizon Power management and staff have a positive, proactive culture and attitude towards compliance. Staff demonstrated initiative through extensive preparation of policy and procedural documentation and promptly responded to all data requests.

Management has designed and implemented processes, controls and systems to ensure compliance with licence obligations. In 2016, Horizon Power successfully completed the Meter Exchange Project, replacing approximately 48,563 old electricity meters with advanced metering infrastructure (AMI) that are capable of reading electricity consumption automatically. The advanced meters meet and

exceed the Australian Standard and meet the WA Metering Code requirements leading to an overall improvement in compliance and significantly reducing the risk of future non-compliance.

The strength of the compliance culture is also demonstrated through the comprehensive reporting of identified non-compliances. Where Horizon Power identified any non-compliance during the audit period, 1 April 2015 to 31 March 2017, Horizon Power was observed to proactively develop and implement remedial actions with the objective of mitigating the risk of a re-occurrence of the root cause. We note Management have explored opportunities to better utilise existing reporting tools to effectively monitor the Electricity Code requirements and promptly identify and report on historical non-compliance.

Where instances of non-compliance was identified during audit fieldwork, Horizon Power proactively undertook investigations with the objective of identifying the cause(s) to enable appropriate corrective measures to be developed. It was observed that Horizon Power management were able to make immediate improvements to the procedural documents and communicate those changes with relevant staff.

## 2.12. Summary of action for previous audit non compliances and recommendations

The table below illustrates the profile of action taken by the licensee in response to the recommendations in the previous audit report. Further details can be found in Section 3 previous non-compliances and audit recommendations.

	<b>Resolved before end of previous audit period</b>	<b>Resolved during current audit period</b>	<b>Unresolved at the end of the current audit period</b>
Significant weaknesses and/or serious action required	-	2	-
Does not meet minimum requirements	6	10	1
Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance	-	-	-
Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance	-	2	-
Compliant with no further action required to maintain compliance	-	1	-
<b>Total</b>	<b>6</b>	<b>15</b>	<b>1</b>

Table 13: Actions in Response to Previous Report Recommendations

## 2.13. Compliance summary from current audit

This performance audit involved testing 381 out of a total of 497 licence obligations. The 116 obligations not tested were determined as not applicable to Horizon Power during the planning stage of the audit. There were also 108 obligations with a Not Rated compliance rating due to no testable events in the audit period. This is consistent with the requirements stipulated within the Audit Guidelines.

The table below provides a summary of the audit outcome. There are 27 obligations rated as non-compliant for the audit period. There are a further 11 obligations rated as compliant with recommendations for control improvement and 2 obligations Not Rated with recommendations for control improvement.

EIRL2		Adequacy of controls						Subtotal
		A – Adequate controls	B – Generally adequate controls	C – Inadequate controls	D – No controls evident	N/P – Not Performed	N/A – Not Applicable	
Compliance Rating	1 – Compliant	210	10	1	-	-	-	221
	2 – Non-compliant minor	11	13	1	-	-	-	25
	3 – Non-compliant moderate	-	2	-	-	-	-	2
	4 – Non-compliant major	-	-	-	-	-	-	-
	N/R - Not Rated	19	2	-	-	94	-	115
	N/A – Not Applicable	-	-	-	-	-	18	18
	<b>Total</b>	<b>240</b>	<b>27</b>	<b>2</b>	<b>0</b>	<b>94</b>	<b>18</b>	<b>381</b>

Table 14: Compliance Profile

The table below illustrates the obligations where non-compliances or control improvement opportunities have been identified. Further details can be found in Section 2.14 and 2.15.

Current Audit Non-Compliances and Recommendations	Resolved during current audit period	Unresolved at the end of the current audit period	Total
Obligations - Non-compliant	15	12	27
Obligations - Compliant with opportunity to improve controls	7	4	11
Obligations – Not-rated with opportunity to improve controls	-	2	2
<b>Total</b>	<b>21</b>	<b>19</b>	<b>40</b>

Table 15: Current Audit Non-Compliances and Recommendations

Further details of the overall compliance rating applied to each licence condition or obligation and adequacy of controls is detailed in Section 4 compliance summary and Section 5 observations – performance audit details.

## 2.14. Current Audit Non-Compliances and Recommendations resolved during current Audit Period

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
75	<p><b>Non Compliance</b>  <b>Rating:</b> B / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b> A distributor that is obliged to attach, or connect, premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must do so within a defined timeframe.</p> <p><b>Details:</b>            Examination of Horizon Power’s annual compliance report for the financial year end 30 June 2016 noted there were two (located in Port Hedland &amp; Laverton) new connections out of 862, where Horizon Power failed to comply with the 20 business day connection timeframe. The non-compliance occurred as Horizon Power procedures were not followed to obtain the appropriate verifiable consent in a timely manner to confirm the customer’s identity and thereby grant Horizon Power permission to connect the customer’s supply address.</p> <p>Sample based testing of 20 connections noted one instance during the performance audit period, 1 April 2015 to 31 March 2017, where Horizon Power did not connect four meters on the same premise to the distribution system within the specified 20 business days, and one exception where the work to connect the premise to the distribution system began 32 business days before the service order was made. It has been determined that none of these exceptions identified breach the obligated timeframes for connecting a premise. Agreement from customers where the 20 days connection timeframe was due to be exceeded, was attained from these customers via email correspondence.</p>	<p>No further action given implementation of controls on 30 September 2015.</p> <p>An mData21 report is automatically generated each Monday and sent to the regional inbox to report and identify any new connections open for greater than 10 business days to facilitate earlier identification and communication to obtain customers’ written consent.</p>	<p>The non-compliance issue has been resolved during the current audit period. Following the implementation of the mData21 reporting controls, new connections greater than 10 business days are now identified and actioned.</p> <p>No further action required.</p>
145	<p><b>Non Compliance</b>  <b>Rating:</b> B / 2 (Self-reported)</p>	<p>No further action given resolution of exception during December 2016.</p>	<p>The non-compliance issue has been resolved during the current audit period. Following the implementation of the daily monitoring controls,</p>



Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<p><b>Legislative Obligation:</b> A retailer must issue a bill no more than once a month and at least once every three months, except for the circumstances specified in sub clause 4.1.</p> <p><b>Details:</b> Examination of the Compliance Report for the financial year ended 30 June 2016 noted Horizon Power reported to the Authority instances of invoicing customers greater than 90 days from the previous invoice. For the financial year ended 30 June 2016, there were 29 accounts without a bill raised for more than 90 days and validation of one of these breaches during the performance audit period, 1 April 2015 to 31 March 2017, determined it was due to a service order not being completed.</p> <p>The improvement in meter reading through advanced meters is anticipated to create efficiency in the billing process. This will reduce the number of validations and delays to billing. An exception report showing customers not billed is now available for Management to identify any overdue meter readings. However, during the audit period the established controls were not adequate to prevent accounts without a bill raised for more than 90 days.</p>	<p>Horizon Power has system controls in place within their billing system which restricts the creation and issue of invoices more than once a month. During the audit period, there was no instances where a customer was billed more than once within a month. Management are now monitoring the exception report showing customers not billed on a daily basis to ensure estimated read validations are performed within the prescribed timeframes in the billing procedures.</p> <p>It was sighted that Horizon Power has not exceeded five accounts unbilled for greater than 90 days for the financial year ended 30 June 2017. Following the implementation of the daily monitoring controls, Horizon Power is now achieving a result of zero accounts unbilled greater than 90 days.</p>	<p>Horizon Power is now achieving a result of zero accounts unbilled greater than 90 days. No further action required.</p>
165	<p><b>Non Compliance</b> <b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b> If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.</p> <p><b>Details:</b> Testing identified one instance recorded of a meter test detecting a defective meter during the performance audit period, 1 April 2015 to 31 March 2017. Examination of this instance noted Horizon Power failed to reverse the meter test fee after conducting this meter test.</p>	<p>No further action given resolution during the performance audit period 1 April 2015 to 31 March 2017.</p> <p>Management has reinforced to relevant staff the requirement to refund the meter test fee if the meter is found to be defective.</p>	<p>The non-compliance issue has been resolved during the current audit period. No further action required.</p>
192, 193, 196	<p><b>Non Compliance</b> <b>Rating:</b> B / 2</p>	<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p>	<p>The non-compliance has been resolved during the current audit period.</p>

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<p><b>Legislative Obligation:</b></p> <p>192 - A retailer must not charge a residential customer a late payment fee in the circumstances specified in sub clause 5.6(1).</p> <p>193 - If a retailer has charged a late payment fee in the circumstances set out in sub clause 5.6(1) (c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill.</p> <p>196 - If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made.</p> <p><b>Details:</b></p> <p>Sample based testing of five customers found one instance during the performance audit period, 1 April 2015 to 31 March 2017, where:</p> <ul style="list-style-type: none"> <li>• Two late payment fees were applied to a customer assessed as being under financial hardship. Further investigation identified that the manual suppression was not applied in a timely manner in line with Horizon Power's work instructions during the HUGS assessment resulting in a breach of the obligation.</li> <li>• Horizon Power did not refund the late payment fees charged to a customer in a timely manner due to not being aware there was an open complaint on the customer account. It was identified the initial suppression had expired.</li> <li>• A customer being assessed for financial hardship did not have the late payment fee removed from the last bill prior to the assessment.</li> </ul> <p>Management has since updated the work instructions to bring the manual suppression steps in the process to a more prominent position and to include a step stipulating the requirement to ensure that all overdue notice fees for these customers are waived and provided further training to the relevant staff on the correct processes.</p>	<p>Management has updated work instructions and retrained customer service staff on the requirements.</p>	<p>No further action required.</p>
214	<p><b>Non Compliance</b></p> <p><b>Rating:</b> B / 3</p> <p><b>Legislative Obligation:</b> If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in sub clause 6.4(3)(a) within 5</p>	<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>The letter template contained the terms of the payment arrangement plan and the importance of contacting Horizon Power for further assistance if</p>	<p>The non-compliance has been resolved during the current audit period.</p> <p>No further action required.</p>

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<p>business days, and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect.</p> <p><b>Details:</b> The letter template contained the terms of the payment arrangement plan and the importance of contacting Horizon Power for further assistance if the customer cannot meet their financial obligations. However, it was noted that subclause 6.3(3)(a)(ii); the consequence of not adhering to the terms of the arrangement, was not included in the Payment Arrangement Confirmation letter template.</p>	cannot meet their financial obligations has been updated to include the consequence of not adhering to the terms of the arrangement.	
218	<p><b>Controls Improvement</b> <b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> A retailer must advise a customer experiencing financial hardship of the information specified in sub clause 6.8(1).</p> <p><b>Details:</b> It was noted that financial hardship customers are advised of some of the required information by telephone by the Senior Customer Service Officer, located in Bentley where calls are not recorded. Therefore, correspondence with the customer is recorded in the comments within Velocity. Examples of comments within Velocity were examined and it was noted that there were some inconsistencies in detail of the comments being recorded.</p>	<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has implemented additional controls to ensure that sufficient detail notes of discussions between the Senior Customer Service Manager and financial hardship customers are documented within Velocity.</p>	<p>The non-compliance has been resolved during the current audit period. No further action required.</p>
234	<p><b>Non Compliance</b> <b>Rating:</b> B / 3 (Self-reported)</p> <p><b>Legislative Obligation:</b> Subject to sub clause 7.6(3), a retailer or distributor must comply with the limitations specified in sub clauses 7.6(1)-(2) when arranging for disconnection or disconnecting a customer's supply address.</p> <p><b>Details:</b> On 12 April 2017, Horizon Power reported notified the Authority of non-compliance with clause 7.6(1)(b) when wrongfully disconnected a regional customer for non-payment on 29 June 2016 whilst the customer had a</p>	<p>Management noted these five of Type 1 non-compliances have been the result of gaps identified in the systems and processes from the new de-energisation process associated with the AMI system.</p> <p>Management has updated the complaints procedures to strengthen the complaints resolution and Ombudsman complaints process by implementing system controls and updates to the complaints management workflows.</p> <p>Horizon Power has implemented the following enhancements to minimise the potential of future reoccurrence:</p>	<p>The non-compliance has been resolved during the current audit period. No further action required.</p>

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<p>complaint with the Electricity Ombudsman. The process failed when the inbox was not actioned in the required timeframe. In June 2016, Horizon Power implemented a change to the Ombudsman complaints process to allow the Senior Customer Service Officer who deals with these complaints to manually cancel open de-energisation service orders hence avoiding any delay in the process.</p> <p>A retailer must not disconnect a customer's supply address - (b) during any time-</p> <ol style="list-style-type: none"> <li>1. After 3.00 pm Monday to Thursday;</li> <li>2. After 12.00 noon on a Friday; or</li> <li>3. On a Saturday, Sunday, public holiday or on the business day before a public holiday,</li> </ol> <p>Clause 7.6(2)(b) prescribes the timeframes where Horizon Power is not permitted to disconnect customers.</p> <p>On 29 March 2017, Horizon Power notified the authority of a non-compliance with clause 7.6(2)(b) of the Code as 59 prepayment meter customers were disconnected after 3.00pm. The clause requires electricity distributors to not disconnect customers from supply between 3.00pm and 9.00am.</p> <p>On 5 April 2017, Horizon Power notified the Authority of another contravention of the Code, because one standard meter customer was disconnected outside the Code's allowed timeframe on 8 August 2016.</p> <p>On 11 August 2016, Horizon Power notified the Authority of two Type 1 contraventions occurring in Karratha on the 11th August 2016. The root cause of this contravention in August 2016 is attributed to the final phase of the Advanced Metering Infrastructure Project which was replacing plug in meters. De-energisation service orders had been raised on two of the plug in meters and the requests to complete the service orders were sent to the Project team (rather than the meter data team). The request was facilitated by the project team with a metering technician circumventing those aware of the code requirements. The errors occurred as a result of new and transitioning processes. Disconnections for this type of meter were stopped until the documented process had been updated and approved and training completed.</p>	<ul style="list-style-type: none"> <li>● Breach reported 12 April 2017 - Process changes were implemented in June 2016 to ensure open de-energisation service orders are cancelled immediately on receipt of an Ombudsman complaint. Previously the request was sent to an inbox to cancel the de-energisation. Additional monitoring has been put in place to prevent future late notification.</li> <li>● Breach reported 29 March 2017 - A system bug was identified in a backup solution for the prepayment and AMI system. An older reliable version of this solution has been put back in place until the software is fixed and thoroughly tested. Additional system monitoring has been implemented to identify system outages to respond immediately. A new coding solution is being investigated to double check the appropriate action prior to de-energisation. A decision to implement additional coding changes will be based on the availability of resources.</li> <li>● Breach reported 5 April 2017 - The process changes identified and implemented as part of the breach reported on the 9th of November 2016 prevents the reoccurrence of after 3.00pm de-energisations. This breach occurred in August 2016, however inadequate monitoring lead to late reporting to the ERA. Additional monitoring has been put in place to prevent future late notification.</li> <li>● Breach reported 9 November 2016 - Process changes were implemented to ensure that De-energisation for non-payment queues were only actioned between the hours of 9.00am-3.00pm Monday to Thursday. Additionally system coding changes have been made to apply the rule to prevent past dates service orders from being actioned after 3.00pm.</li> <li>● Breach reported 11 August 2016 - This breach was the result of an error during testing of the new AMI de-energisation process for plug in meters. The affected customers were re-energised immediately. Type 1 breach compliance requirements were reinforced with the project team.</li> </ul> <p>New monitoring processes have been implemented in April 2017 whereby reporting is now monitored weekly and a register has been established to ensure all breaches are reported appropriately and timely. The identification of Type 1 breaches and the new register has been re-enforced with all customer service staff.</p>	

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<p>On 9 November 2016, Horizon Power notified the Authority of another contravention of the Code, because one standard meter customer was disconnected outside the Code's allowed timeframe 3:36 pm (36 minutes outside the allowed 3.00pm timeframe) on 28 of September 2016. This occurred as previous date service orders did not apply the 3.00pm non de-energisation rule.</p>		
235	<p><b>Non Compliance</b>  <b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b>  If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment, the retailer must comply with sub clause 7.7(1).7</p> <p><b>Details:</b>  Examination of the Annual Compliance Report in financial year 2014/15 noted a failure to register equipment of 18 instances of life support customers reported in the 2014/15 Performance Audit. The reported non-compliance relates to the obligation 7.7(1)(b) where Horizon Power must register the life support equipment required by the customer under the Code of Conduct for the Supply of Electricity to Small Use Customers 2014. This obligation is no longer required under the 2016 Code however due to the difficulty in contacting life support customers and/or their representatives, these breaches were not fully resolved until 6 July 2015 – three months into the current performance audit period, 1 April 2015 to 31 March 2017.</p> <p>The Retail Services Manager noted registering life support customers is a manual process normally performed over the telephone with the customer. There are procedural documents that guide Horizon Power staff and Serviceworks customer service operators in registering a life support customer. Inspection of the life support register found Horizon Power continues to capture the life support equipment of these customers despite no longer being a requirement of the 2016 Code.</p>	<p>This obligation is no longer required under the 2016 Code. However, management has updated and continued to maintain the life support equipment register.</p> <p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p>	<p>The non-compliance has been resolved during the current audit period.  No further action required.</p>

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
240	<p><b>Non Compliance</b> <b>Rating:</b> C / 2</p> <p><b>Legislative Obligation:</b> A retailer must contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstances specified in sub clause 7.7(6).</p> <p><b>Details:</b> Discussions with the Retail Services Manager determined that Horizon Power has processes and procedures in place to ascertain the requirements of its life support customers and request confirmation within the obligated timeframes.</p> <p>However, it has been determined that during the performance audit period 1 April 2015 to 31 March 2017, Horizon Power and Serviceworks did not retain and capture any system notes to evidence the confirmation and recertification of the full population of customers requiring life support equipment. Further investigation identified the Customer Service Representative responsible for monitoring life support customers failed to scan and retain the returned letters on the customer account and is therefore unable to demonstrate compliance.</p> <p>Discussions with Retail Services Manager noted Horizon Power will now undertake a review of its customers on the life support register and resend the appropriate certification letters.</p>	<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has undertaken a review of its customers on the life support and validated the appropriate certification letters whilst ensuring full compliance with the stipulated timeframes specified in sub clause 7.7(6).</p> <p>Management has updated procedures and provided further training to team members on capturing the status and completion of the certification of its life support customers.</p> <p>Management have noted that no customers have been disadvantaged by the re-certification not being completed.</p>	<p>The non-compliance has been resolved during the current audit period.</p> <p>No further action required.</p>
246	<p><b>Controls Improvement</b> <b>Rating:</b> C / 1</p> <p><b>Legislative Obligation:</b> A retailer must not provide a pre-payment meter service at a residential customer's supply address without the verifiable consent of the customer or the customer's nominated representative.</p> <p><b>Details:</b> Discussions with the Pre-payment Metering Administrator noted that since 2015 advanced meters have been installed into pre-payment</p>	<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has established minimum requirements for recording notes when establishing a pre-payment meter account over the telephone with particular emphasis on capturing the customer's verifiable consent to being entered into a pre-payment meter service.</p>	<p>The non-compliance has been resolved during the current audit period.</p> <p>No further action required</p>

<b>Manual Ref.</b>	<b>Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)</b>	<b>Date resolved (and management action taken)</b>	<b>Auditor comments</b>
	<p>communities through the AMI-exchange project. Since the installation of the advanced meters in 2015, the Customers Services and Metering team located in the Bentley office now processes and manages pre-payment customers instead of the Serviceworks call centre. Any requests for new pre-payment meter customers are now taken directly by the Pre-payment Metering Administrator and the Metering Team located in the Bentley office. The contact number is provided adjacent to each advanced meter and any pre-payment customers who call Serviceworks are transferred to the Pre-payment Metering Administrator and the Metering Team.</p> <p>Discussions with the Pre-payment Metering Administrator noted that prior to the installation of the advanced meters Horizon Power staff would visit communities and have the customer complete and sign an Account Establishment Forms before a prep-payment meter could be fitted to the supply address. Alternatively, customers could contact Serviceworks call centre to sign onto a pre-payment meter service and the telephone call would be recorded.</p> <p>It is noted that telephone calls taken by the Pre-payment Metering Administrator are not recorded. However, notes are recorded into the customer account in Velocity. Sample based testing of five pre-payment meters installed during the performance audit period found that consent has been recorded however the detail of the notes recorded could be significantly improved.</p>		
249, 250	<p><b>Controls Improvement</b> <b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> 249 - If a residential customer requests information on the use of a pre-payment meter, a retailer must advise the information specified in sub clause 9.3(1) at no charge, and in clear, simple and concise language. 250 - No later than 10 business days after the time a residential customer enters into a pre-payment meter contract at that customer's supply address, a retailer must give, or make available to, that customer the information specified in sub clauses 9.3(1) and 9.3(2)(a)-(s) at no charge.</p> <p><b>Details:</b></p>	<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has implemented controls to record the date in which pre-payment meter customers have been issued with the required information in clause 9.3(1)(2).</p>	<p>The non-compliance has been resolved during the current audit period. No further action required.</p>

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<p>Discussion with the Prepayment Meter Officer determined that where a pre-payment customer requests information on energy consumption, Horizon Power will endeavour to provide a usage breakdown at no charge. Pre-payment meter information is issued to a customer at the time of establishment as a pre-payment meter customer.</p> <p>Inspection of the pre-payment meter information pack mailed out to Horizon Power customers noted that in clear, simple and concise language it included (but, not limited to);</p> <ul style="list-style-type: none"> <li>- The applicable pre-payment tariffs, fees and charges;</li> <li>- Pre-payment Meter user information;</li> <li>- A copy of the contract;</li> <li>- Contact number for faults, emergencies, complaints and other enquiries.</li> </ul> <p>However, it is noted that Horizon Power does not retain records of the date issued and recipient of the information pack.</p> <p>Sample based testing of five pre-payment customers during the performance audit period, 1 April 2015 to 31 March 2017, noted that Horizon Power did not charge any pre-payment customer for requesting information on their energy consumption and there have been no recorded instances where a pre-payment customer has requested information on the average daily cost of consumption for the previous 2 years, or since the commencement of the pre-payment meter contract in quarterly segments during the audit period.</p>		
305, 306, 307	<p><b>Controls Improvement</b> <b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b></p> <p>305 - A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.</p> <p>306 - The report specified in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.</p> <p>307 - The report specified in clause 13.1 must be published by the date specified by the ERA. In accordance with clause 13.3(2), a report is published if:</p>	<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Horizon Power has subsequently amended its website to reflect the correct display names for the 2014/15 compliance manual datasheets.</p>	<p>The non-compliance has been resolved during the current audit period.</p> <p>No further action required.</p>



Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<ul style="list-style-type: none"> <li>• copies are available to the public, without cost, in places where the retailer or distributor transacts business with the public; and</li> <li>• a copy is posted on the retailer or distributor’s website.</li> </ul> <p><b>Details:</b></p> <p>Performance reporting handbooks for electricity (retail and distribution) are published by the Authority around April/May of each year and specifies the due date for the submission and publication of the compliance manual datasheets for retail and distribution. Examination of the handbooks noted that for:</p> <ul style="list-style-type: none"> <li>• the financial year ending 30 June 2015, the compliance manual datasheets are to be lodged with the Authority and published by Horizon Power by 30 September 2015.</li> <li>• the financial year ending 30 June 2016, the compliance manual datasheets are to be lodged with the Authority and published by Horizon Power by 30 September 2016.</li> </ul> <p>Examination of the email correspondence between Horizon Power and the Authority noted that Horizon Power submitted the compliance manual datasheets for retail and distribution within the dates prescribed by the Authority.</p> <p>Examination of Horizon Power’s website and communications team email correspondence noted that:</p> <ul style="list-style-type: none"> <li>• the 2015/16 compliance manual datasheets were published on 11 October 2016, within the dates prescribed by the Authority.</li> <li>• the 2014/15 compliance manual datasheets were published in on Horizon Power’s website. However, Horizon Power is unable to demonstrate the date of publication.</li> <li>• the 2014/15 compliance manual datasheets for distribution were incorrectly displayed on Horizon Power’s website showing as 2015/16 compliance manual datasheets during the time of the audit.</li> </ul> <p>Through discussion with the Retail &amp; Community Manager and Communications Officer it was noted that it was due to technical issues</p>		

<b>Manual Ref.</b>	<b>Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)</b>	<b>Date resolved (and management action taken)</b>	<b>Auditor comments</b>
	<p>with the website and oversight which resulted in the 2014/15 compliance manual datasheets for distribution being incorrectly displayed as 2015/16.</p> <p>The post implementation plan item 17/2015 raised in the previous performance audit has been resolved in the current audit period. Examination of the 2014 data sheets noted that references to shortened billing cycle has been removed.</p>		
422, 423, 447	<p><b>Non Compliance</b> <b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b></p> <p>422 - A network operator must validate energy data in accordance with this Code applying, as a minimum, the prescribed rules and procedures set out in Appendix 2 and must, where necessary, substitute and estimate energy data under this Code applying, as a minimum, the prescribed rules and procedures set out in Appendix 3.</p> <p>423 - The network operator must use check metering data, where available, to validate energy data provided that the check metering data has been appropriately adjusted for differences in metering installation accuracy in accordance with subclause 3.13.</p> <p>447 - A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.</p> <p><b>Details:</b></p> <p>Upon examination of the validation rules within mData21, it was identified that no validation rule exists within the system that automatically compares check meter data against energy data for the corresponding revenue meter of a metering point with full check metering installation. Horizon Power could not demonstrate that these checks were being performed manually within the organisation. It was further noted that this is inconsistent with section 10.2.1 of Horizon Power's Metrology Procedure.</p> <p>An analysis of meters and metering installations designated as having 'check meters' on Horizon Power's network during the performance audit period was performed identifying 52 meters designated as "Check" meters, rather than "Revenue" meters. Discussions with the Meter Services</p>	No further action required. Management has confirmed that the identified meters incorrectly designated as "Check" meters on installations were removed from the check meter system in May 2017.	The non-compliance has been resolved during the current audit period. No further action required.

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
	<p>Manager noted that of the 52 "Check" meters, 46 were Type 6 metering installations, which are not covered by the Code requirement to validate energy data with check meter data. The remaining six metering installations were incorrectly designated as "Check" meters in the system, and Horizon Power is not validating energy data for the designated "Check" meters in accordance with the Code.</p>		
472, 473	<p><b>Non Compliance</b>  <b>Rating:</b> B / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b>  472 - A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe for a failure to give required notice of planned interruption.  473 - A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe if a supply interruption exceeds 12 hours.</p> <p><b>Details:</b>  Examination of the compliance report for Financial Year 2015/16 revealed Horizon Power reported two instances of non-compliance where a required reliability payment within the obligated 30 calendar days of receiving the claim. The reasons for the non-compliance were as follows:</p> <ul style="list-style-type: none"> <li>• The Regional Office advised the non-compliance occurred due to the staff member responsible for advising of the claim leaving the business. Horizon Power has since reinforced the importance of prompt notification for standard services breaches and obligated payment timeframes.</li> <li>• The non-compliance was attributed to a claim not being appropriately directed on the day of receipt. Horizon Power has revised and enhanced the process to include a weekly check of the team's functional inbox to ensure all received claims have been actioned.</li> </ul> <p>Examination of the Horizon Power Extended Outage Payment Scheme (EOPS) determined that it outlines the eligibility criteria and steps to taken process customer applications for the reliability payments. The Webview</p>	<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has reaffirmed with the relevant staff of the requirement to meet the required timeframes and give sufficient priority to following due process.</p> <p>The Planned Outage Notification process was improved in April 2016 after manual Spur Book to access customer details was replaced with customer details for planned notifications now obtained from Power On Fusion (HV Diagram).</p>	<p>The non-compliance has been resolved during the current audit period. Following the implementation of system controls replacing manual controls, there has been no further instance of non-compliance with this licence obligation. No further action required.</p>

<b>Manual Ref.</b>	<b>Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)</b>	<b>Date resolved (and management action taken)</b>	<b>Auditor comments</b>
	<p>System is used by the Customer Service Officer to validate the EOPS claim against system recorded outages/faults at that address.</p> <p>Discussion with the Customer Service Officer noted that when dealing with physical forms there can be manual handling delays and the payment process can be delayed by the manual confirmation process that takes place if there is uncertainty around the details of the outage. Applications for the reliability payments is maintained on a spreadsheet register and updated by the Customer Service Officer to capture key dates to enable monitoring of payment timeframes.</p> <p>Sample based testing of five customers during the performance audit period, 1 April 2015 to 31 March 2017, was conducted and noted that for one customer, Horizon Power did not make the required reliability payment for failure to give required notice of planned interruption within the obligated 30 calendar days of receiving the claim.</p>		

## 2.15. Current Audit Non-Compliances and Recommendations unresolved at end of current Audit Period

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
1/2017	<p><b>Non Compliance</b> <b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 158:</b> Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.</p> <p><b>Details:</b> Sample based testing of 15 regional customers identified one instance during the performance audit period, 1 April 2015 to 31 March 2017, where an actual meter reading for a non-advanced meter has not been performed at least once in a 12 month period. Horizon Power's advanced meters automatically send reads of the meter into the Meter Data Repository every 15 minutes which is uploaded into mData21 overnight and therefore does not require physical inspection of meters to prepare invoices unless the connection is lost from the meter for more than 12 months.</p> <p>It is noted that in response to similar instances of non-compliance identified in the previous performance audit, Horizon Power proposed the following action plan in May 2015 for completion in September 2015 to ensure meter reading data is obtained as frequently as required to prepare its bills;</p> <ol style="list-style-type: none"> <li>1. Customer Service will continue with its existing continual process improvement methodology through weekly reporting and root cause analysis;</li> <li>2. Process enhancements will be implemented, if identified;</li> <li>3. Regional Managers are to reinforce with staff the importance of following the process.</li> </ol> <p>It has been noted that following the completion of the Meter Exchange Project, the advanced meters will incorporate remote facilitation of meter reads and the likelihood of breaches will be further reduced.</p>	<p>Regional Managers are to reinforce with staff the importance of following the annual read process and to arrange training as required for using existing monitoring and reporting mechanisms to track outstanding must read service order due dates against actual service order completion dates.</p>	<p>Esperance depot has engaged contract resources to ensure annual reads for the 159 residual meters are captured in a timely manner. This arrangement will continue until such time as meter communications are at the point where manual meter readings are no longer required. There are no further non-compliant exchangeable residual meters in any other region apart from the Esperance region. All meters currently not exchanged in other areas, (and some in the Esperance Area), are not exchanged due to safety breaches, pending supply abolishment or the 23 customers who have refused the exchange.</p> <p><b>Action Plan:</b> Recommendation accepted and process has been reinforced in May 2017. This will be discussed again at a Regional Managers forum in Perth in August 17.</p>

<b>Manual Ref. / Year</b>	<b>Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)</b>	<b>Auditors' Recommendation</b>	<b>Management action taken by end of Audit period</b>
	<p>However, based on discussions with the Retail &amp; Community Manager (Gascoyne) it was identified there was a lack of awareness of the current established procedural documentation, accessible in the Learning Guide, in relation to performing estimated reads and manual actual reads for advanced meters. Additionally, there is capability to generate a reports to monitor must read service order due dates against actual service order completion dates, however the Regional Offices are not currently using these monitoring mechanisms.</p>		<p><b>Responsible Officer:</b> Manager Goldfields Esperance Business</p> <p><b>Due Date:</b> August 2017.</p>
2/2017	<p><b>Controls Improvement</b> <b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b></p> <p>211 - If a residential customer is experiencing payment difficulties, a retailer must offer the residential customer at least the following payment arrangements:</p> <ul style="list-style-type: none"> <li>- additional time to pay a bill; and</li> <li>- if requested by the residential customer, an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.</li> </ul> <p>212 - If a residential customer is experiencing financial hardship, a retailer must offer the residential customer at least the following payment arrangements:</p> <ul style="list-style-type: none"> <li>- additional time to pay a bill; and</li> <li>- An interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.</li> </ul> <p><b>Details:</b></p> <p>Sample based testing was performed on five customers who were experiencing payment difficulties. Through observation of credit telephone calls and comments within Velocity, it was revealed that in all five instances a customer was offered the appropriate payment arrangement plan. However, testing revealed that one of the five credit call recordings</p>	<p>Horizon Power investigate why the Serviceworks phone recording was unable to be obtained and subsequently consider if the appropriateness of implementing additional controls.</p>	<p><b>Action Plan:</b> Horizon Power has considered the recommendations, however will not be implementing additional controls unless a commercial, customer or regularity risk arises</p> <p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> Not applicable</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	could not be obtained. For this instance, testing was satisfied through the examination of comments within Velocity.		
3/2017	<p><b>Controls Improvement</b> <b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b></p> <p>238A - A distributor must use best endeavours to contact the customer, or someone residing at the supply address, prior to an interruption to restore supply to a supply address that is registered as a life support equipment address.</p> <p>239 - If a distributor has already provided notice of a planned interruption that will affect a supply address, prior to the distributor registering a customer's supply address as a life support equipment address, the distributor must use best endeavours to contact that customer or someone residing at the supply address prior to the planned interruption.</p> <p><b>Details:</b></p> <p>Discussions with the Regional Retail and Community Services Manager (Carnarvon) noted that it is standard practice that depot staff door knock properties affected by a planned outage and drop a planned interruption card for them. All registered life support customers are located in the Carnarvon region.</p> <p>Business Services Officers in Carnarvon manually check the daily life support register with the planned outages to ensure to call customers affected by a planned outage at least three days prior. Examination of the generic planned interruption form showed that it is addressed to a specific street/road address with the day, date and time of the planned interruption and shows some considerations for the customer during a planned power interruption and relevant emergency contact numbers.</p> <p>It has been noted that there is no evidence retained demonstrating contact with a life support customer to update them on a planned outage and therefore compliance to this obligation can't be tested.</p>	Regional Manager in Carnarvon to ensure staff capture detailed system notes where a life support customer and/or their caregiver has been contacted to inform of a planned outage. Management to update work instructions to capture this in the planned outages process.	<p><b>Action Plan:</b> Management to update and reinforce the work instructions regarding the following activities with the regional team, Works Delivery Coordinator and contractors, in relation to:</p> <ol style="list-style-type: none"> <li>1. the advising and capturing/recording of verbal/in-person contact in Velocity; and</li> <li>2. daily checking of life support list during outage notification periods for new registrations.</li> </ol> <p><b>Responsible Officer:</b> Retail &amp; Community Manager (Carnarvon)</p> <p><b>Due Date:</b> July 2017 Management has confirmed that this has been completed.</p>
4/2017	<p><b>Controls Improvement</b> <b>Rating:</b> B / 1</p>	Management to update the question flow within Velocity to include a question on whether the customer inquiring about a pre-payment meter service may also require life support.	<p><b>Action Plan:</b> Horizon Power has updated its work instructions and considered the recommendations for updating the workflow,</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p><b>Legislative Obligation 257:</b> If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support equipment, a retailer must not provide a pre-payment meter service in that address; or, if applicable, comply with the prescribed requirements in sub clauses 9.5(1) (a)-(c).</p> <p><b>Details:</b> Discussions with the pre-payment meter officer determined that if a customer inquired about a pre-payment meter service but indicated a requirement for life support then Horizon Power would only offer a credit meter to that customer. It was noted that previously an Account Establishment Form which clearly stated "life support customers cannot be pre-payment customers" was widely used, however, since most pre-payment customers are now established by telephone, a review of the work instructions determined there is no prompt in the Velocity question-flow to remind the customer service operator to inquire about a customer's life support requirements. It is noted the pre-payment script includes this question when establishing pre-payment customers over the telephone.</p> <p>A comparison between the pre-payment customer meter listing and Horizon Power life support customer listing did not identify any customer who was on both listings.</p>		<p>however will not be implementing additional controls unless a commercial, customer or regularity risk arises as manual process and instruction are sufficient.</p> <p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> Not applicable</p>
5/2017	<p><b>Controls Improvement</b> <b>Rating:</b> B / 1</p> <p><b>Legislative Obligation 300:</b> A retailer or a distributor must advise the customer in accordance with sub clause 12.1(3).</p> <p><b>Details:</b> Through discussions with the Retail &amp; Services Manager and examination of the Serviceworks Complaints Process Work Instructions and Customer Charter it was noted that when responding to a complaint, Horizon Power will advise the customer that the complaint can be assessed by a senior employee. If the customer is not satisfied with how the complaint has been resolved internally, Horizon Power will advise the customer of that</p>	Horizon Power investigate why the telephone recording was not able to be located to determine if additional controls are required to ensure retention of credit call recordings.	<p><b>Action Plan:</b> Horizon Power has considered the recommendations, however will not be implementing additional controls unless a commercial, customer or regularity risk arises</p> <p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> Not applicable</p>



<b>Manual Ref. / Year</b>	<b>Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)</b>	<b>Auditors' Recommendation</b>	<b>Management action taken by end of Audit period</b>
	<p>the complaint can be referred to the Energy Ombudsman. The Energy Ombudsman's free call number 1800 754 004 is stated on the Horizon Power website and on the customer's bill.</p> <p>When customers submit a complaint form through the Horizon Power website, it is stated that a customer may have a complaint reviewed by a senior employee. This section of the website also states if the customer is not satisfied with the outcome of a lodged complaint, the customer is able to refer the complaint to the Energy Ombudsman.</p> <p>The Retail &amp; Community Manager advised that a suite of training modules is offered to all Serviceworks staff, included in this suite of training is a module on the complaints process. Training is monitored and tracked in a spreadsheet which is updated and reviewed on a monthly basis.</p> <p>Sample based testing was performed on five customer complaints. Through observation of telephone call recordings and comments within Velocity, it was revealed that in all five instances the complaint was escalated to a senior employee or the customer was advised of the option to have the complaint escalated to a senior employee. However, this testing also revealed one of the five credit call recordings could not be located from Serviceworks. For this instance, testing criteria was satisfied through the examination of notes recorded in Velocity.</p>		
6/2017	<p><b>Non Compliance</b> <b>Rating:</b> A / 2</p> <p><b>Legislative Obligation:</b></p> <p>319 - A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and also comply with any applicable specifications or guidelines, including any transitional arrangements, specified by the National Measurement Institute under the National Measurement Act.</p> <p>326 - A network operator must ensure that there is a metering installation at every connection point on its network that is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.</p> <p>327 - For each metering installation on its network, a network operator must provide, install, operate and, subject to subclause 3.7(5), maintain the metering installation in the manner prescribed, unless otherwise agreed.</p>	Horizon Power to continue progression with the exchange of the remaining non-compliant meters and communicate with the customers associated with these meters as far as possible.	<p><b>Action Plan:</b> Horizon Power has attempted to exercise the Energy Operators Power in some of these instances and have been met with Hostility from particular customers.</p> <p>Horizon Power is concerned about the safety risk to its employees in the regions and reputational risk to Horizon Power and Government. Horizon Power will consult with the minister and will further discuss with the ERA the course of action proposed. In the meantime, Horizon</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>330 - If a network operator becomes aware that a metering installation does not comply with the Code, it must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.</p> <p>333 - Subject to subclauses 3.9(4), 3.9(5) and 3.9(7), each metering installation must meet at least the requirements for that type of metering installation as specified in Table 3 in Appendix 1 of the Code.</p> <p>334 - A metering installation used to supply a customer with requirements above 1000 volts that requires a VT and whose annual consumption is below 750MWh must meet the relevant accuracy requirements of a Type 3 metering installation for active energy only.</p> <p>337 - A network operator must ensure that a metering installation on its network is operating consistently with good electricity industry practice to measure and record data, and permits the collection of data within the time specified in the applicable service level agreement, for at least the percentages of the year specified.</p> <p>341 - Subject to clause 3.11A(3), if a "population" of meters is deemed to have failed under AS 1284.13, the network operator must ensure that all of the meters in that population are removed and replaced with new meters within 3 years of testing of the population.</p> <p><b>Details:</b></p> <p>The results of the sample meter testing performed by Formway Group in 2011, for both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and Eister meters installed post January 2010.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters.</p> <p>Through discussions with Manager Customer Service and Meter Services Manager it was confirmed that:</p> <ul style="list-style-type: none"> <li>• All customers were informed that existing meters were non-compliant and may not be accurate.</li> <li>• The AMI-exchange project was completed in December 2016.</li> <li>• As the process of replacement of current meters with AMI was still in progress during the audit period, Horizon Power concluded that it was operating non-compliant meters during</li> </ul>		<p>Power will work with these customers where possible to seek resolution.</p> <p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> December 2017</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>the audit period and was therefore non-compliant with this obligation.</p> <ul style="list-style-type: none"> <li>• As at the end of the audit period, Horizon Power had 159 meters on its network which had not yet been exchanged. For the metering installations associated with these 159 meters, it was noted: <ul style="list-style-type: none"> <li>○ 46 are scheduled to be exchanged with an advanced meter;</li> <li>○ 90 had been de-energized, supply abolished, or were scheduled to be de-energized/supply abolished; and</li> <li>○ 23 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 23 meters are not verified, may no longer be pattern approved, and have not been subsequently individually tested to identify whether these are meeting the accuracy requirements required of utility meters.</li> </ul> </li> </ul> <p>The primary cause for all 23 non-compliant meters still in operation is, despite Horizon Power's best endeavours to reach agreements to allow for the exchange of the non-compliant meters, the customers associated with these meters have refused to allow Horizon Power to exchange the meters to the advanced meters.</p> <p>It was noted during fieldwork that Horizon Power submitted a revised Metrology Procedure and revised Mandatory Link Criteria to the Authority for review and approval on 12 April 2017, which is outside of this audit period.</p>		
7/2017	<p><b>Non Compliance</b></p> <p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 386:</b></p> <p>A network operator must, for each meter on its network, at least once in every 12 month period undertake a meter reading that provides an actual value that passes the validation processes in Appendix 2.</p>	Regional Managers are to reinforce with staff the importance of following the process and to arrange training as required for using existing monitoring and reporting mechanisms to track outstanding must read service order due dates against actual service order completion dates.	Esperance depot has engaged contract resources to ensure annual reads for the 159 residual meters are captured in a timely manner. This arrangement will continue until such time as meter communications are at the point where manual meter

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p><b>Details:</b></p> <p>Sample based testing of 15 regional customers identified one instance during the performance audit period, 1 April 2015 to 31 March 2017, where an actual meter reading for a non-advanced meter has not been performed at least once in a 12 month period. Horizon Power's advanced meters automatically send reads of the meter into the Meter Data Repository every 15 minutes which is uploaded into mData21 overnight and therefore does not require physical inspection of meters to prepare invoices unless the connection is lost from the meter for more than 12 months.</p> <p>Examination of a report generated from mData21 identified that actual reads taken during the audit period found 831 instances of periods between actual reads exceeding 12 months. Of the 831 instances, 25 instances where the period between actual reads exceeded 12 months occurring entirely within the audit period. It was noted that the overall trend of when the instances occurred was in decline, with the majority occurring before August 2016, prior to the completion of the AMI project.</p> <p>It is noted that in response to similar breaches identified in the previous performance audit, Horizon Power proposed the following action plan in May 2015 for completion in September 2015 to ensure meter reading data is obtained as frequently as required to prepare its bills:</p> <ol style="list-style-type: none"> <li>1. Customer Service will continue with its existing continual process improvement methodology through weekly reporting and root cause analysis;</li> <li>2. Process enhancements will be implemented, if identified;</li> <li>3. Regional Managers are to reinforce with staff the importance of following the process.</li> </ol> <p>However, based on discussions with the Retail &amp; Community Manager (Gascoyne) it was determined that there was a lack of awareness of the current established procedural documentation in relation to performing estimated reads and manual actual reads for advanced meters in the regions. Additionally, there is capability to generate a reports to monitor must read service order due dates against actual service order completion dates, however the Regional Offices are not currently using these monitoring mechanisms.</p>		<p>readings are no longer required. There are no further non-compliant exchangeable residual meters in any other region apart from the Esperance region. All meters currently not exchanged in other areas, (and some in the Esperance Area), are not exchanged due to safety breaches, pending supply abolishment or the 23 customers who have refused the exchange.</p> <p><b>Action Plan:</b> Recommendation accepted and process has been reinforced in May 2017. This will discussed again at a Regional Managers forum in Perth in August 17.</p> <p><b>Responsible Officer:</b> Manager Goldfields Esperance Business</p> <p><b>Due Date:</b> August 2017.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
8/2017	<p><b>Non Compliance</b> <b>Rating:</b> A / 2</p> <p><b>Legislative Obligation:</b> 366 - A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network. 370 - The standing data for a metering point must comprise at least the items specified.</p> <p><b>Details:</b> Clause 4.3(1) of the Code requires that the standing data for a metering point must comprise at least the items specified in Table 2.</p> <p>It was identified during testing that mData21 does not contain all standing data items required under Table 2 'Description and designated source of standing data to be contained in the registry'. For example the length of network between the metering point and the substation it's not captured within mData21 or elsewhere within the organisation. The standing data items required under Table 2 identified as omitted from mData21 did not directly impact the customer.</p> <p>It was additionally noted during fieldwork that Horizon Power was in the process of drafting a set of Communication Rules. In assessing a recommended action plan, it was considered that in accordance with Clause 4.3(3) of the Code, Horizon Power may use its communication rules, once approved and published, to remove, modify or add any requirement in clause 4.3(1) for standing data.</p>	Management to consider the identified standing data items required under Table 2 at have been omitted from mData21.	<p><b>Action Plan:</b> Horizon Power will provide the communication rules to the ERA for Approval by 31 October 2017 to remove, modify or add any requirement in clause 4.3(1) for standing data that is currently omitted from mData21.</p> <p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> 31 October 2017</p>

# 3. Previous Non Compliances and Audit Recommendations

### 3.1. Previous audit non-compliances resolved before end of previous audit period

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
4/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 145:</b> <i>Code of Conduct clause 4.1</i> - A retailer must issue a bill no more than once a month and at least once every three (3) months, unless under the circumstances specified in subclause 4.1.</p> <p><b>Details:</b> The 2013 performance audit identified 163 accounts that were unbilled for longer than 90 days. Horizon Power has continued to issue bills to customers at intervals of greater than the three month period stipulated in the Code of Conduct. Through examination of the Customer Services Dashboard, we identified that 28 accounts were unbilled for longer than 90 days as at 30 June 2014.</p> <p>During a portion of the audit period the existing controls were not adequate to prevent accounts from being unbilled for longer than 90 days.</p> <p>However, we acknowledge that significant effort has been applied by Horizon Power to reduce this number and as at 31 March 2015, no accounts remained unbilled for over 90 days. Additionally, as of 9 February 2017 Horizon Power has not exceeded five accounts unbilled for greater than 90 days and regularly achieving a result of zero.</p>	N/A	N/A	No.

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
9/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b></p> <p>225 – <i>Code of Conduct clause 6.10(6)</i> - If a retailer reviews its hardship policy and hardship procedures, the retailer must submit to the Authority the results of that review within 5 business days after it is completed.</p> <p>227 – <i>Code of Conduct clause 6.10(8)</i> - If a retailer amends its hardship policy, the retailer must submit to the Authority a copy of the retailer's hardship policy within 5 business days of the amendment.</p> <p><b>Details:</b> Horizon Power made changes to its Financial Hardship Policy in response to a review performed in 2013. The Authority was only advised of this change on 18 August 2014. As such, Horizon Power had not complied with the five business day notification requirement stipulated by the Code of Conduct. Horizon Power reported the non-compliance to the Authority and acknowledged that the non-compliance occurred as a result of a misinterpretation of a communication received from the Authority. The existing controls were not adequate to ensure that the interpretation of the communication from the Authority was correct. However, Horizon Power identified the issue prior to the 2015 audit and corrected it.</p>	N/A	N/A	No.



Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
11/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 235 :</b> Code of Conduct clause 7.7(1) Where a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment the retailer must comply with subclause 7.7(1).</p> <p><b>Details:</b> Clause 7.7(1) (b) of the Code of Conduct requires Horizon Power to register the life support equipment required by the customer. At the time of 2013 audit, Horizon Power's Life Support Customer Register did not include details of the life support equipment required by customers. During the 2015 audit it was identified that Horizon Power has updated its Life Support Register in respect of most affected customers, but for 18 of the 83 life support customers the recorded details of the life support equipment were not complete, as required by the Code of Conduct. This obligation is a Type 1 licence obligation and a licensee must immediately notify the Authority when it becomes aware of a contravention of a Type 1 licence obligation. The existing controls did not identify that Horizon Power was not compliant with this obligation and were not adequate to facilitate compliance with Horizon Power's Type 1 reporting obligations. Following the audit Horizon Power has addressed the issue by updating the Life Support Customer Register with the required details.</p>	N/A	N/A	No.
14/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 249:</b> Code of Conduct (2012) clause 9.4(5) - Not less than 20 business days and not more than 40 business days prior to the expiry of the initial three (3) month period, a retailer must send a notice in writing or by electronic means to a residential pre-payment meter customer advising the customer of the date of the expiry of the customer's rights to revert to a standard meter at no charge, as well as the options available to the residential pre-payment meter customer.</p> <p><b>Details:</b> Horizon Power did not send the required notice to advise residential pre-payment meter customers of the date of the expiry of the customer's rights to revert to a standard meter during the period under audit. This requirement has been removed from the new Code of Conduct, effective from 1 July 2014.</p>	N/A	N/A	No.

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
17/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b></p> <p>301 – Code of Conduct clause 13.1(2) - "Required information that a retailer must keep"</p> <p>302 – Code of Conduct clause 13.1(3) - "Required information that a distributor must keep"</p> <p>308 – Code of Conduct clause 13.5 - "Call centre performance indicators that a retailer must keep"</p> <p>318 – Code of Conduct clause 13.12 - "Call centre performance indicators that a distributor must keep"</p> <p><b>Details:</b> Being a vertically integrated business, Horizon Power records and maintains the information in a single system at an organisational level and not separated into retail and distribution.</p> <p>The Authority is of the view that maintaining an aggregated set of records rendered Horizon Power non-compliant with the requirements of clause 13.1(2), 13.1(3), 13.1(5) and 13.1(12).</p> <p>These requirements have been removed from the new Code of Conduct, effective from 1 July 2014.</p>	N/A	N/A	No.

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
18/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b></p> <p>319 – <i>Metering Code clause 3.1</i> - "Meters must comply with metrology procedure and National Measurement Act"</p> <p>327 – <i>Metering Code clause 3.5(3)</i> - "Requirements for a metering installation"</p> <p>330 – <i>Metering Code clause 3.5(9)</i> - "Requirements for a metering installation"</p> <p>333 – <i>Metering Code clause 3.9(3)</i> - "Metering installation types and accuracy requirements"</p> <p>334 – <i>Metering Code clause 3.9(7)</i> - "Metering installation types and accuracy requirements"</p> <p>340 – <i>Metering Code clause 3.11A(1)</i> - "Meters are systematically sampled and tested"</p> <p>341 – <i>Metering Code clause 3.11A(2)</i> - "Replacement of meters deemed to have failed the testing"</p> <p><b>Details:</b> The 2011 performance audit recognised Horizon Power's doubts whether its meters were compliant with relevant requirements and specifications. Horizon Power developed a Metering Management Plan detailing its approach to testing its meters, including sample sizes, metrology requirements subject to testing and reporting of the results.</p> <p>The results of the sample meter testing performed by Formway Group Metering Pty Ltd (Formway Group) in February and June 2011, for both single and three phase meters were greater than the allowable accuracy limits, therefore the entire population of these meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and the new Elster meters installed post January 2010.</p> <p>Clause 3.14(1) and (2) provides an exemption to all meters installed pre the 2005 Metering Code, or committed to and installed within 18 months after the 2005 Metering Code commenced. As Horizon Power cannot be certain that no pre 2005 Metering Code meters were committed to and installed later than 18 months after the 2005 Metering Code commenced, Horizon Power concluded that it currently operates non-compliant meters.</p> <p>During the current audit period Horizon Power has initiated the process of rolling out AMI to replace its current meters, consistent with the recommendations arising from the 2013 audit. AMI installations are anticipated to be completed by December 2016, but at the end of the current audit period Horizon Power still had non-compliant meters in operation.</p>	N/A	N/A	<p>Yes.</p> <p>Not all meters were exchanged to advanced meters. Refer to 6/2017 for current recommendation.</p>

## 3.2. Previous audit non-compliances resolved during current Audit Period

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
1/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 75:</b> A distributor that is obliged to attach or connect premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must do so within a defined timeframe.</p> <p><b>Details:</b> The findings of the 2013 audit were that of all 3,965 completed connection service orders during that audit period 15 new connections (0.38%) were not completed within the 20 day timeframe.</p> <p>Horizon Power developed an action plan to extend the duration of its connection processes through a letter for distribution to customers where, it is identified that the expected connection completion date would fall outside the 20 day timeframe. The letter would be designed to enable Horizon Power to obtain customers' acceptance of a revised connection timeframe and therefore to maintain compliance with the Regulations. This process has not been implemented.</p> <p>A summary report of all 4,486 completed connection service orders for the period 1 April 2013 to 31 March 2015 evidenced that 30 new connections were (0.67%) not completed within the 20 day timeframe, indicating Horizon Power has continued to not fully comply with the Regulations.</p> <p>The existing controls are not adequate to prevent new connections from exceeding the 20 day timeframe, identify new connections that were approaching the 20 day timeframe, identify new connections that exceeded the 20 day timeframe, or trigger a process to obtain customers' verifiable consent to exceed the 20 day timeframe.</p>	<p><b>Recommendation 1/2015</b></p> <p>Horizon Power should identify and implement:</p> <p>(a) Process improvements aimed at preventing new connections from exceeding the 20 day timeframe</p> <p>(b) Monitoring measures to identify new connections that are likely to exceed the 20 day timeframe</p> <p>(c) Monitoring measures to identify connections exceeding the 20 day timeframe</p> <p>(d) Measures to trigger a process to obtain customers' verifiable consent, where Horizon Power identifies that new connections will exceed the 20 day timeframe.</p>	August 2015.	<p>No.</p> <p>Two further instances of non-compliance identified during the current audit period. However, it was resolved during the current audit period.</p> <p>Refer to 75 on page 96.</p>

<b>Issue</b>	<b>(Compliance rating/Legislative Obligations/details of the issue)</b>	<b>Auditors' Recommendations</b>	<b>Date Resolved</b>	<b>Further action required (Yes/No/Not Applicable) &amp; Details of further action required including current recommendation reference if applicable</b>
2/2015	<p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b></p> <p>103 - <i>Electricity Industry Act section 14(1)(b)</i> - "Notification of asset management system details"</p> <p>124 - <i>Integrated Regional Licence condition 16.1</i> - "Provision of information to the Authority"</p> <p>125 - <i>Integrated Regional Licence condition 16.1</i> - "Provision of information to the Authority"</p> <p>126 - <i>Integrated Regional Licence condition 18.1</i> - "Notices must be in writing"</p> <p>306 - <i>Code of Conduct clause 13.2</i> - "Provision of report to the Authority"</p> <p>307 - <i>Code of Conduct clause 13.3</i> - "Publication of report"</p> <p>324 - <i>Code of Conduct (2012) clause 13.17(1)</i> - "Publication of annual retailer and distributor reports"</p> <p>484 - <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 27(1)</i> - "Publication of annual report"</p> <p>485 - <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 27(3)</i> - "Submission of report to the Minister and the Authority"</p> <p><b>Details:</b> Horizon Power is unable to provide evidence that it has notified the Authority of the details of its asset management system and maintenance measures, as required under section 14(1) (b) of the Electricity Industry Act.</p> <p>Horizon Power is unable to provide evidence of publication dates of the following reports, which were required to be published on its website by 1 October:</p> <ul style="list-style-type: none"> <li>• 2013 Performance report under the Code of Conduct 2012. Note that the requirement has been removed from the Code of Conduct 2014 and as a result, the non-compliance is only applicable for the period 1 April 2013 to 30 June 2014.</li> <li>• 2013 and 2014 performance reports under the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 27(1).</li> </ul> <p>The existing controls are not adequate to ensure that evidence is maintained of compliance with due dates for submission and publication of reports.</p>	<p><b>Recommendation 2/2015</b></p> <p>Horizon Power should consider establishing a centralised:</p> <p>(a) Compliance Register to record and track due dates for submission and publication of reports</p> <p>(b) Repository to retain evidence of submission and publication of reports within the required timeframe.</p>	August 2015.	<p>No.</p> <p>Opportunity to improve control adequacy identified and resolved during the current audit period.</p> <p>Refer to 305, 306 and 307 on page 107.</p>

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
3/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b></p> <p>129 – <i>Code of Conduct clause 2.1</i> - A retailer must ensure that its electricity marketing agents comply with Part 2</p> <p>142 - <i>Code of Conduct (2012) clause 2.6(2)</i> - "Activities to be complied with by an electricity marketing agent who meets with a customer face to face."</p> <p>143 - <i>Code of Conduct (2012) clause 2.6(3) and 2.6(4)</i> - "Records to be maintained by a retailer or other party each time it initiates contact with a customer for the purposes of marketing."</p> <p><b>Details:</b> Based on audit testing of five customers that signed up as part of the Go-live process, we determined that valid copies of the signed contracts had not been maintained on file for any of the selected customers (as per the requirement of Part 2 of the Code of Conduct). As a result, Horizon Power was non-compliant with Part 2 of the Code of Conduct, for the period 1 April 2013 to 1 July 2014.</p> <p>The controls relating to document retention and archiving were not effective in facilitating appropriate record keeping during the period this obligation was in force.</p> <p>Horizon Power has implemented an improved process for archiving documents, and has undertaken to reinforce the importance of appropriate record keeping with ServiceWorks again.</p> <p>The Authority is also of the view that the Department of Housing's actions in relation to facilitating Horizon Power's account establishment process constitute 'marketing' activity and the Department is deemed to be acting as a marketing agent on behalf of Horizon Power.</p> <p>We note that Obligations 142* and 143* have been removed from the new Code of Conduct, effective from 1 July 2014.</p>	<p><b>Recommendation 3/2015</b></p> <p>Horizon Power should follow through on its undertaking to reinforce with ServiceWorks the importance of document retention and maintenance of appropriate archiving processes for retention of key information.</p>	September 2015	No.

<b>Issue</b>	<b>(Compliance rating/Legislative Obligations/details of the issue)</b>	<b>Auditors' Recommendations</b>	<b>Date Resolved</b>	<b>Further action required (Yes/No/Not Applicable) &amp; Details of further action required including current recommendation reference if applicable</b>
6/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 160:</b> <i>Code of Conduct clause 4.8(2)</i> - In circumstances where the customer's bill is estimated, a retailer must specify in a visible and legible manner, on the customer's bill the information detailed in subclause 4.8(2).</p> <p><b>Details:</b> The wording required by subclause 4.8(2) (c) of the Code of Conduct has not been fully reflected on the estimated bill template (e.g. the template does not specifically reference the words "a verification of a meter reading"). As a result, the format of Horizon Power's bill does not fully comply with the requirements of the Code of Conduct.</p> <p>The existing controls did not identify that the wording of the estimated bill template does not comply with the Code of Conduct.</p>	<p><b>Recommendation 6/2015</b></p> <p>Horizon Power should update its estimated bill template to completely reflect the requirements of clause 4.8(2), specifically displaying the option for a customer to request for a verification of a meter reading.</p>	February 2016	No.

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
7/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b></p> <p>177 – <i>Code of Conduct clause 4.18(2)</i> - If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must use its best endeavours to inform the customer within 10 business days of a retailer becoming aware of the error, defect, or default, and, subject to subclause 4.18(6), ask the customer for instructions as to whether the amount should be credited to the customer's account or repaid to the customer.</p> <p>183 - <i>Code of Conduct clause 4.19(2)</i> - If the meter is read pursuant to either clause 4.6 or clause 4.3(2) (d) and the amount of the adjustment is an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days and, subject to subclause (5), ask the customer for instructions about the repayment of the amount owing.</p> <p><b>Details:</b> Based on our testing of a sample of 20 refunds made to customers following overcharges, we identified one instance where Horizon Power did not comply with the requirements of the Code of Conduct, in that it did not advise the customer of an overcharge to their account within ten business days.</p> <p>In the identified instance of non-compliance an actual read was performed, following previous estimations, which generated a credit to the customer's account. Horizon Power did not advise the customer of the overcharge or ask the customer for instructions regarding repayment of the overcharge after the credit was recorded on the customer's account. Horizon Power only took action when the customer identified the credit on their bill and contacted Horizon Power to request a refund.</p> <p>The existing controls were not adequate to ensure that the customer was informed of the overcharge within ten business days of Horizon Power becoming aware thereof.</p>	<p><b>Recommendation 7/2015</b></p> <p>Horizon Power should reinforce with ServiceWorks the importance of adhering to the existing process for notification to customers within the required timeframe where overcharges occur on accounts.</p>	December 2015	No.



Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
8/2015	<p><b>Rating:</b> C / 3</p> <p><b>Legislative Obligation 197:</b> <i>Code of Conduct clause 5.7(1)</i> - A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified in subclause 5.7(1).</p> <p><b>Details:</b> Testing of a sample of 15 final read service orders completed during the audit period identified that 10 customers had been charged for consumption for seven calendar days (five business days) from the date of notification.</p> <p>The same issue was raised in the previous audit and Horizon Power undertook to address the issue under Action Plan 9/2013. Notwithstanding the improvements Horizon Power has implemented to complete Action Plan 9/2013, we identified a systemic issue with regards to the configuration of its billing system (Velocity).</p> <p>Subclause 5.7(1) of the Code of Conduct requires the following:</p> <p>"a retailer must not require a customer to pay for electricity consumed at the customer's supply address from:</p> <p>d) the date the customer vacated the supply address, if the customer gave at least 5 days' notice; or</p> <p>e) 5 days after the customer gave notice, in any other case."</p> <p>Based on our understanding of the requirements of the Code of Conduct, Horizon Power has not configured Velocity to support compliance with the above requirements as Velocity has been configured to allow for five business days, as opposed to calendar days. We note that the Code of Conduct expressly refers to certain timeframes in 'business days' where it is intended that such timeframes be calculated in business days and also specifically defines 'business days'. In this instance, the Code of Conduct does not refer to business days and as a result, Horizon Power should have configured Velocity to calculate the period involved in calendar days.</p> <p>The existing controls were not adequate to identify that the configuration of Velocity to calculate consumption in business days was not in compliance with the Code of Conduct.</p>	<p><b>Recommendation 8/2015</b></p> <p>Horizon Power should:</p> <p>(a) Reconfigure the Service Order 'required by date' to calculate consumption in calendar days, as provided by the Code of Conduct</p> <p>(b) Endeavour to determine the extent of the customer population affected and the number and quantum of transactions involved</p> <p>(c) Liaise with the Authority to obtain guidance on what further actions should be taken.</p>	September 2016	No.

<b>Issue</b>	<b>(Compliance rating/Legislative Obligations/details of the issue)</b>	<b>Auditors' Recommendations</b>	<b>Date Resolved</b>	<b>Further action required (Yes/No/Not Applicable) &amp; Details of further action required including current recommendation reference if applicable</b>
10/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 229:</b> <i>Code of Conduct clause 7.1(1)</i> - Prior to arranging for disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice not less than 13 business days from the date of dispatch of the bill, including the information specified in subclause 7.1(1)(a), use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c)</p> <p><b>Details:</b> This audit noted instances where reminder notices sent to customers included the total debt owed by the customer, including amounts billed less than 13 business days prior to the date of the reminder.</p> <p>The existing controls did not identify and prevent the issuance of reminder notices that included amounts billed less than 13 business days prior to the date of those notices and as such need some improvement.</p>	<p><b><u>Recommendation 10/2015</u></b></p> <p>Horizon Power should reconfigure the reminder notice to exclude amounts billed less than 13 business days prior to the date of such a reminder.</p>	February 2016	No.

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
12/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 244:</b> <i>Code of Conduct clause 8.2</i> - A distributor must reconnect the customer's supply address upon the request of a retailer, within the timeframes specified in subclause 8.2(2).</p> <p><b>Details:</b> As a distributor, Horizon Power is required to reconnect a previously disconnected customer's supply address within the time frames specified in clause 8.2(2) of the Code of Conduct.</p> <p>Of all 6994 reconnection service orders issued during the audit period, there were 194 instances where reconnections did not occur within the specified timeframes.</p> <p>The existing controls did not identify reconnections that exceeded the specified timeframe or were approaching the specified timeframe and as such require some improvement.</p>	<p><b>Recommendation 12/2015</b></p> <p>Horizon Power should identify and implement:</p> <p>(a) Improved monitoring measures to identify reconnection service orders approaching the specified timeframe</p> <p>(b) Improved monitoring measures to identify reconnection service orders that have exceeded the specified time frames</p> <p>(c) Process improvements aimed at preventing reconnections from exceeding the specified timeframe</p> <p>(d) Measures to trigger a process to expedite reconnections at risk of exceeding the specified timeframes.</p>	September 2015	No.
13/2015	<p><b>Rating:</b> C / 2</p> <p><b>Legislative Obligation 245:</b> <i>Code of Conduct clause 9.1(2)</i> - A distributor may only operate a pre-payment meter and a retailer may only offer a pre-payment meter service in an area that has been declared by the Minister by notice published in the Government Gazette.</p> <p><b>Details:</b> During the 2015 audit period, Horizon Power installed prepayment meters in two communities (Bayulu and Mowanjum), which have not yet been published in the Government Gazette by the end of the audit period.</p> <p>The existing controls did not identify the pre requirement for those new communities to be gazetted and as such require some improvement.</p>	<p><b>Recommendation 13/2015</b></p> <p>Horizon Power should provide for inclusion of Mowanjum and Bayulu communities in the Government Gazette.</p>	March 2016	No.

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
15/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 280:</b> <i>Code of Conduct clause 10.3(A)</i> - At least once a year, a retailer must provide a customer with written details of the retailer's and distributor's obligations to make payments to the customer under Part 14 of this code and under any other legislation in Western Australia including the amount of the payment and the eligibility criteria for the payment.</p> <p><b>Details:</b> Prior to 2013 Horizon Power provided customers with letters detailing its obligations to make Standard Service Payments. In 2013, Horizon Power decided that its Corporate Communications would publish the obligations in the On The Horizon newsletter. However, to date Horizon Power has not published the obligations in the On the Horizon newsletter, or sent such letters to customers.</p> <p>The existing controls were not adequate to ensure the provision of required details to its customers and require improvement.</p>	<p><b>Recommendation 15/2015</b></p> <p>Horizon Power should identify and implement improved controls to ensure that details of its obligations under Part 14 of the Code is published in the 'On the Horizon' Newsletter at least once a year in accordance with the requirements of clause 10.3A of the Code of Conduct.</p>	September 2015	No.
17/2015	<p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation 305:</b> <i>Code of Conduct clause 13.1</i> - A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the Authority.</p> <p><b>Details:</b> Clause 13.1 of the Code of Conduct requires Horizon Power to prepare a report in respect of each reporting year setting out the information specified by the Authority.</p> <p>Whilst a report was prepared and submitted to the Authority for each of the two reporting years during the audit period, we identified that in the 2013/14 report, Horizon Power has indicated a figure of 154 residential customer accounts that have been placed on a shortened billing cycle. Horizon Power does not offer a shortened billing cycle to any of its customers.</p> <p>We note that the issue relates to control deficiency only and not non-compliance. The existing controls did not prevent reporting of incorrect information to the Authority and hence require some improvement.</p>	<p><b>Recommendation 17/2015</b></p> <p>Horizon Power should rectify the 2014 data sheets to remove data referenced to shortened billing cycle.</p>	September 2015	No.

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
19/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 349:</b> <i>Metering Code clause 3.14(3)</i> - If, under clause 3.14(2), a metering installation uses metering class CTs and VTs that do not comply with the Table 3 in Appendix 1, then the network operator must either or both install meters of a higher class accuracy and apply accuracy calibration factors within the meter to compensate for CT and VT errors, in order to achieve the accuracy requirements in Table 3 in Appendix 1.</p> <p><b>Details:</b> Clause 3.14 of the Metering Code provides for transitional arrangements for metering installations commissioned prior to the commencement of the 2005 Metering Code. The 2013 audit confirmed that Horizon Power had audited approximately half of its relevant power stations and transfer point meters, with the result that:</p> <ul style="list-style-type: none"> <li>• Horizon Power had doubts about some existing metering installations meeting the accuracy requirements of Table 3 in Appendix 1 of the Metering Code. We note that those installations currently fall within the transitional arrangements outlined in clause 3.14, with the exception of clauses 3.3A and 3.11A, which are applicable to all licensees regardless of when the metering installations were commissioned</li> <li>• One new metering installation post commencement of the 2005 Metering Code did not meet the accuracy requirements of Table 3, Appendix 1 of the Metering Code.</li> </ul> <p>The 2013 audit recommendation that Horizon Power rectify the new metering installation to ensure it complied with the accuracy requirements of Table 3 in Appendix 1 of the Metering Code, has not yet been implemented.</p>	<p><b>Recommendation 19/2015</b></p> <p>Subject to finalisation of the business case to install the required generation metering,, no further action is required</p>	July 2015	No.

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
20/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 473:</b> <i>Network Quality &amp; Reliability of Supply Code 2005 clause 19</i> - A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe if a supply interruption exceeds 12 hours.</p> <p><b>Details:</b> The Electricity Industry (Network Quality &amp; Reliability of Supply) Code requires extended outage payments to be made within 30 days of an application for such a payment by a customer.</p> <p>The 2013 audit had identified that one (1.67%) out of 60 extended outage payments had been made outside of the 30 day timeframe.</p> <p>During the period 1 July 2014 to 31 March 2015, Horizon Power received 945 applications for extended outage payments, all relating to Cyclone Olwyn in March 2015. Of those 945 applications, 11 payments (1.16%) were made outside of the 30 day requirement.</p> <p>The existing controls relating to extended outage payments did not identify and prevent some of those payments from occurring outside the specified timeframe and as such need some improvement.</p>	<p><b>Recommendation 20/2015</b></p> <p>Horizon Power should reinforce the requirement to monitor compliance with processing extended outage payments within the required timeframes by accurately maintaining the Extended Outage Payment Scheme Spreadsheet.</p>	September 2015	<p>No.</p> <p>Two further instances of non-compliance identified during the current audit period. However, it was resolved during the current audit period.</p> <p>Refer to 472 and 473 on page 109.</p>
21/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 476:</b> <i>Network Quality &amp; Reliability of Supply Code 2005 clause 21(3)</i> - A distributor operating a relevant distribution system must provide written notice to eligible customers about payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 not less than once in each financial year.</p> <p><b>Details:</b> Clause 21(3) of Electricity Industry (Network Quality and Reliability of Supply) Code 2005 requires Horizon Power to provide a written notice at least once in each financial year to eligible customers about payments for failure to meet the requirements in clauses 18 and 19.</p> <p>At the date of the audit Horizon Power had not published the obligations in the On the Horizon newsletter, or sent such letters to customers. The existing controls were not adequate to ensure the provision of required details to its customers and require improvement.</p> <p>However, following the audit Horizon Power has taken corrective action by publishing the required obligation in the On the Horizon newsletter.</p>	<p><b>Recommendation 21/2015</b></p> <p>Horizon Power should identify and implement improved controls to ensure that details of its obligations about payments for failure to meet the requirements in clauses 18 and 19 of the Network Quality &amp; Reliability of Supply Code 2005 are published in the 'On the Horizon' Newsletter at least once a financial year in accordance with the requirements of clause 21(3) of the Code.</p>	July 2015	<p>No.</p>

<b>Issue</b>	<b>(Compliance rating/Legislative Obligations/details of the issue)</b>	<b>Auditors' Recommendations</b>	<b>Date Resolved</b>	<b>Further action required (Yes/No/Not Applicable) &amp; Details of further action required including current recommendation reference if applicable</b>
22/2015	<p><b>Identified post audit (not rated).</b></p> <p><b>Legislative Obligations:</b>  138 - Code of Conduct clause 2.5(1)  139 - Code of Conduct clause 2.5(2)  140 - Code of Conduct clause 2.6</p> <p><b>Details:</b> Following the information provided in this Audit, the Authority is of the view that the Department of Housing's actions in relation to facilitating Horizon Power's account establishment process constitute 'marketing' activity and the Department is deemed to be acting as a marketing agent on behalf of Horizon Power. The following points clarify Horizon Power actions in relation to 2.5(1), 2.5(2) and 2.6</p> <p>Information required per 2.5(1) is provided to the customer after the account is established through mailed welcome packs, even if not requested by the customer.</p> <p>As per 2.5(2), when a customer engages with the Department of Housing there is no communication to customer's describing that the Department of Housing is acting as an agent for Horizon Power. Therefore Horizon Power is not compliant with licence obligation 139.</p> <p>As per 2.6, Department of Housing does not visit customer's premises for the purpose of establishing customer accounts or marketing. Despite obligation 140 being raised by the recent EIRL audit, Horizon Power has maintained compliance with 2.6 throughout the audit period.</p>	<p><b>Recommendation 22/2015</b></p> <p>To meet compliance with 2.5(2), Horizon Power will commence discussions with the Department of Housing to address the non-compliance identified.</p> <p>A suitable solution will be considered between Department of Housing and Horizon Power following these discussions</p>	February 2015.	<p>No.</p> <p>The current Code of Conduct excludes the Department of Housing from acting as a marketing agent.</p>

### 3.3. Unresolved at the end of current Audit Period

Issue	(Compliance rating/Legislative Obligations/details of the issue)	Auditors' Recommendations	Date Resolved	Further action required (Yes/No/Not Applicable) & Details of further action required including current recommendation reference if applicable
5/2015	<p><b>Rating:</b> B / 2</p> <p><b>Legislative Obligation:</b></p> <p>158 – <i>Code of Conduct clause 4.7</i> - Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that meter reading data is obtained as frequently as is required to prepare its bills; and, in any event, at least once every 12 months.</p> <p>386 – <i>Metering Code clause 5.4(1)</i> - A network operator must, for each meter on its network, at least once in every 12 month period, undertake a meter reading that provides an actual value that passes the validation processes in Appendix 2.</p> <p>387 - <i>Metering Code clause 5.4(1A)</i> - The meter reading referred to in clause 5.4(1) must not be undertaken by the customer associated with the meter, and must be undertaken by a person who is employed or appointed by the network operator and who is suitably skilled in accordance with good electricity industry practice to carry out meter readings.</p> <p><b>Details:</b> During the 2013 audit eight out of a sample of 10 meters tested had not had an actual read in 12 months.</p> <p>For the current audit period Horizon Power's Customer Services Dashboard reflected recurring instances of accounts that have not had an actual read in 12 months (81 in March 2014; 16 in June 2014 and 176 in March 2015).</p> <p>We were advised by the Meter Data Coordinator that as a result of staff changes in Horizon Power, monitoring of the exceptions was re-assigned to the regions and that the exception reports were not followed up efficiently by the regions.</p> <p>The existing controls are not adequate to prevent meters from going without an actual read for longer than 12 months.</p>	<p><b>Recommendation 5/2015</b></p> <p>Until the successful implementation of the AMI installation program, Horizon Power should identify and implement measures to trigger a process to expedite actual reads of meters where the time elapsed from the previous actual read is approaching or has exceeded the 12 month timeframe.</p>	September 2015	<p>Yes.</p> <p>One further instances of non-compliance identified during the current audit period. It was unresolved during the current audit period.</p> <p>Refer to Issue 1/2017 and 7/2017 for current recommendation.</p>



# 4. Compliance summary

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
72	Electricity Industry (Obligation to Connect) Regulation, regulation 4	4	x							x					
73	Electricity Industry (Obligation to Connect) Regulation, regulation 5(5)	4	x							x					
74	Electricity Industry (Obligation to Connect) Regulation, regulation 5(6)	4	x							x					
75	Electricity Industry (Obligation to Connect) Regulation, regulation 6	1		x							x				
76	Electricity Industry (Obligation to Connect) Regulation, regulation 7(1)	4	x							x					
77	Electricity Industry (Obligation to Connect) Regulation, regulation 8	1	x							x					
78	Electricity Industry Act, section 51	4	x							x					
79	Electricity Industry (Customer Contracts) Regulations 2005, regulation 5	4						x						x	
80	Electricity Industry (Customer Contracts) Regulations 2005, regulation 6	4						x						x	
81	Electricity Industry (Customer	4						x						x	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Contracts) Regulations 2005, regulation 7													
82	Electricity Industry (Customer Contracts) Regulations 2005, regulation 8	4						x						x
83	Electricity Industry (Customer Contracts) Regulations 2005, regulation 9	4						x						x
84	Electricity Industry (Customer Contracts) Regulations 2005, regulation 10	4						x						x
85	Electricity Industry (Customer Contracts) Regulations 2005, regulation 11	4						x						x
86	Electricity Industry (Customer Contracts) Regulations 2005, regulation 12	4						x						x
87	Electricity Industry (Customer Contracts) Regulations 2005, regulation 13	4						x						x
88	Electricity Industry (Customer Contracts) Regulations 2005, regulation 14	4						x						x
89	Electricity Industry (Customer Contracts) Regulations 2005, regulation 15	4						x						x
90	Electricity Industry (Customer Contracts) Regulations	4						x						x

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	2005, regulation 16 and 34													
91	Electricity Industry (Customer Contracts) Regulations 2005, regulation 17	4					x						x	
92	Electricity Industry (Customer Contracts) Regulations 2005, regulation 18	4					x						x	
93	Electricity Industry (Customer Contracts) Regulations 2005, regulation 19	4					x						x	
94	Electricity Industry (Customer Contracts) Regulations 2005, regulation 20	4					x						x	
95	Electricity Industry (Customer Contracts) Regulations 2005, regulation 21	4					x						x	
96	Electricity Industry (Customer Contracts) Regulations 2005, regulation 32	4					x						x	
97	Electricity Industry (Customer Contracts) Regulations 2005, regulation 33(2)	4					x						x	
98	Electricity Industry (Customer Contracts) Regulations 2005, regulation 33(3) and (4)	4					x						x	
99	Electricity Industry (Customer Contracts) Regulations	4					x						x	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	2005, regulation 36													
100	Electricity Industry (Customer Contracts) Regulations 2005, regulation 38	4	x							x				
101	Electricity Industry Act, section 13(1)	5	x							x				
102	Electricity Industry Act, section 14(1)(a)	5	x							x				
103	Electricity Industry Act, section 14(1)(b)	3	x							x				
104	Electricity Industry Act, section 14(1)(c)	5	x										x	
105	Electricity Industry Act, section 17(1) Economic Regulation Authority (Licensing Funding) Regulations 2014	4	x							x				
106	Electricity Industry Act, section 31(3)	5	x							x				
107	Electricity Industry Act, section 41(6)	4	x							x				
108	Electricity Industry Act, section 54(1)	4	x							x				
109	Electricity Industry Act, section 54(2)	4	x							x				
110	Electricity Industry Act, section 76	4							x					x
111	Electricity Industry Act, section 101	4	x							x				
112	Electricity Industry Act, section 115(1)	4							x					x
113	Electricity Industry Act, section 115(2)	4							x					x
114	Integrated Regional Licence, condition 23.1	3	x							x				
115	Integrated Regional Licence, condition 23.2	4	x							x				

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
116	Integrated Regional Licence, condition 24.2	5					x							x	
117	Integrated Regional Licence, condition 24.3	5					x							x	
118	Integrated Regional Licence, condition 25.1	4					x							x	
119	Integrated Regional Licence, condition 12.1 or 24.1	4	x							x					
120	Integrated Regional Licence, condition 13.4 or 25.4	4					x							x	
121	Integrated Regional Licence, condition 14.2	4	x							x					
122	Integrated Regional Licence, condition 20.5	4	x											x	
123	Integrated Regional Licence, condition 15.1	4	x											x	
124	Integrated Regional Licence, condition 16.1	3	x											x	
125	Integrated Regional Licence, condition 17.1 and 17.2	4	x											x	
126	Integrated Regional Licence, condition 18.1	4	x											x	
127	Integrated Regional Licence, condition 29.1	2	x							x					
128	Integrated Regional Licence, condition 29.3	2	x							x					
129	Code of Conduct, clause 2.1 Integrated Regional Licence, condition 23.1	3	x							x					
130	Code of Conduct, clause 2.2(1) Integrated	4	x							x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Regional Licence, condition 23.1													
131	Code of Conduct, clause 2.2(2) Integrated Regional Licence, condition 23.1	4	x							x				
132	Code of Conduct, clause 2.3(1) Integrated Regional Licence, condition 23.1	4						x						x
133	Code of Conduct, clause 2.3(2) Integrated Regional Licence, condition 23.1	4						x						x
134	Code of Conduct, clause 2.3(4) Integrated Regional Licence, condition 23.1 (Regional Power Corporation)	4						x						x
135	Code of Conduct, clause 2.3(5) Integrated Regional Licence, condition 23.1	4						x						x
136	Code of Conduct, clause 2.4(1) Integrated Regional Licence, condition 23.1	4	x							x				
137	Code of Conduct, clause 2.4(2) Integrated Regional Licence, condition 23.1	4	x							x				
138	Code of Conduct, clause 2.5(1) Integrated Regional Licence, condition 23.1	1	x							x				
139	Code of Conduct, clause 2.5(2) Integrated	1	x							x				

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Regional Licence, condition 23.1													
140	Code of Conduct, clause 2.6	1					x						x	
141	Code of Conduct, clause 2.9 Integrated Regional Licence, condition 23.1	4	x										x	
142	Code of Conduct, clause 2.10 Integrated Regional Licence, condition 23.1	4	x						x					
145	Code of Conduct, clause 4.1	2		x						x				
146	Code of Conduct, clause 4.2(1)	4					x						x	
147	Code of Conduct, clause 4.2(2)	4					x						x	
148	Code of Conduct, clause 4.2(3)	4					x						x	
149	Code of Conduct, clause 4.2(4)	4					x						x	
150	Code of Conduct, clause 4.2(5)	4					x						x	
151	Code of Conduct, clause 4.2(6)	4					x						x	
154	Code of Conduct, clause 4.4	4	x						x					
155	Code of Conduct, clause 4.5(1)	4	x						x					
156	Code of Conduct, clause 4.5(3)	4	x						x					
157	Code of Conduct, clause 4.6(1)	4	x						x					
158	Code of Conduct, clause 4.7	2		x						x				
159	Code of Conduct, clause 4.8(1)	4	x						x					
160	Code of Conduct, clause 4.8(2)	1	x						x					
161	Code of Conduct, clause 4.8(3)	4	x						x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
162	Code of Conduct, clause 4.9	4	x							x					
163	Code of Conduct, clause 4.10	5	x							x					
165	Code of Conduct, clause 4.11(2)	4		x							x				
166	Code of Conduct, clause 4.12(1)	4	x							x					
167	Code of Conduct, clause 4.13	4	x							x					
168	Code of Conduct, clause 4.14(1)	5	x							x					
169	Code of Conduct, clause 4.14(2)	4	x							x					
170	Code of Conduct, clause 4.14(3)	4	x							x					
171	Code of Conduct, clause 4.15	4	x							x					
172	Code of Conduct, clause 4.16(1)(a)	4	x							x					
173	Code of Conduct, clause 4.16(1)(b)	4	x							x					
174	Code of Conduct, clause 4.16(2)	4	x							x					
175	Code of Conduct, clause 4.16(3)	4	x							x					
176	Code of Conduct, clause 4.17(2)	4	x							x					
176A	Code of Conduct, clause 4.17(3)	5	x							x					
177	Code of Conduct, clause 4.18(2)	2	x							x					
178	Code of Conduct, clause 4.18(3)	3	x							x					
179	Code of Conduct, clause 4.18(4)	5	x							x					
180	Code of Conduct, clause 4.18(6)	3	x							x					
181	Code of Conduct, clause 4.18(7)	3	x							x					
182	Code of Conduct, clause 4.19(1)	4	x							x					



Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
183	Code of Conduct, clause 4.19(2)	1	x							x					
184	Code of Conduct, clause 4.19(3)	3	x							x					
185	Code of Conduct, clause 4.19(4)	5	x							x					
186	Code of Conduct, clause 4.19(7)	5	x							x					
187	Code of Conduct, clause 5.1	4	x							x					
188	Code of Conduct, clause 5.2	4	x							x					
189	Code of Conduct, clause 5.3	4	x							x					
190	Code of Conduct, clause 5.4	4	x							x					
191	Code of Conduct, clause 5.5	4	x							x					
192	Code of Conduct, clause 5.6(1)	4		x							x				
193	Code of Conduct, clause 5.6(2)	4		x							x				
194	Code of Conduct, clause 5.6(3)	4	x							x					
195	Code of Conduct, clause 5.6(4)	4	x							x					
196	Code of Conduct, clause 5.6(5)	4		x							x				
197	Code of Conduct, clause 5.7(1)	2	x							x					
198	Code of Conduct, clause 5.7(2)	4	x							x					
199	Code of Conduct, clause 5.7(4)	4	x							x					
200	Code of Conduct, clause 5.8(1)	4	x							x					
201	Code of Conduct, clause 5.8(2)	4	x							x					
201A	Code of Conduct, clause 5.9	5	x							x					
202	Code of Conduct, clause 6.1(1)	4	x							x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
203	Code of Conduct, clause 6.1(3)	5	x							x					
204	Code of Conduct, clause 6.1(4)	4	x							x					
205	Code of Conduct, clause 6.2(1)	4	x							x					
206	Code of Conduct, clause 6.2(2)	4	x							x					
207	Code of Conduct, clause 6.2(3)	4	x							x					
208	Code of Conduct, clause 6.2(4)	5	x							x					
209	Code of Conduct, clause 6.3(1)(a)	4	x							x					
210	Code of Conduct, clause 6.3(1)(b)	4	x							x					
211	Code of Conduct, clause 6.4(1)(a)	4		x						x					
212	Code of Conduct, clause 6.4(1)(b)	4		x						x					
213	Code of Conduct, clause 6.4(2)	4	x							x					
214	Code of Conduct, clause 6.4(3)	4		x							x				
215	Code of Conduct, clause 6.6(1)	5	x							x					
216	Code of Conduct, clause 6.6(2)	4	x							x					
217	Code of Conduct, clause 6.7	4	x							x					
218	Code of Conduct, clause 6.8	4		x						x					
219	Code of Conduct, clause 6.9(1)	4	x							x					
220	Code of Conduct, clause 6.10(1)	4	x							x					
221	Code of Conduct, clause 6.10(2)	2	x							x					
222	Code of Conduct, clause 6.10(3)	2	x							x					
223	Code of Conduct, clause 6.10(4)	4	x							x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
224 (2014)	Code of Conduct, clause 6.10(5)	4	x							x					
225	Code of Conduct, clause 6.10(6)	2	x							x					
226	Code of Conduct, clause 6.10(7)	4	x							x					
227	Code of Conduct, clause 6.10(8)	1	x							x					
228	Code of Conduct, clause 6.11	4	x							x					
229	Code of Conduct, clause 7.1(1)	1	x							x					
230	Code of Conduct, clause 7.2(1)	4	x							x					
232	Code of Conduct, clause 7.4(1)	4	x							x					
233	Code of Conduct, clause 7.5	4	x							x					
234	Code of Conduct, clause 7.6	1		x								x			
235	Code of Conduct, clause 7.7(1)	1	x								x				
236	Code of Conduct, clause 7.7(2)	1	x							x					
236A (2014)	Code of Conduct, clause 7.7(2)	1	x							x					
237	Code of Conduct, clause 7.7(3)	1	x							x					
238	Code of Conduct, clause 7.7(4)	1	x							x					
238A	Code of Conduct, clause 7.7(4A)	1		x										x	
239	Code of Conduct, clause 7.7(5)	1		x										x	
240	Code of Conduct, clause 7.7(6)	1			x						x				
241	Code of Conduct, clause 7.7(7)	1	x											x	
242	Code of Conduct, clause 8.1(1)	4	x							x					
244	Code of Conduct, clause 8.2	1	x							x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
245	Code of Conduct, clause 9.1(2)	1	x							x					
246	Code of Conduct, clause 9.2(1)	4			x					x					
247	Code of Conduct, clause 9.2(2)	4	x							x					
248 (2014)	Code of Conduct, clause 9.2(3)	4	x							x					
249	Code of Conduct, clause 9.3(1)	4		x						x					
250	Code of Conduct, clause 9.3(2)	4		x						x					
251	Code of Conduct, clause 9.3(3)	4	x							x					
252	Code of Conduct, clause 9.3(4)	4	x							x					
253	Code of Conduct, clause 9.3(5)	4	x											x	
254	Code of Conduct, clause 9.4(1)	4	x											x	
255	Code of Conduct, clause 9.4(2)	4	x											x	
256	Code of Conduct, clause 9.4(4)	4							x						x
257	Code of Conduct, clause 9.5(1)	2		x						x					
258	Code of Conduct, clause 9.5(2)	2							x						x
259	Code of Conduct, clause 9.6	4	x							x					
260	Code of Conduct, clause 9.7(a), (b) and (d)	4	x							x					
261	Code of Conduct, clause 9.8	4	x							x					
262	Code of Conduct, clause 9.9(1)	4	x							x					
263	Code of Conduct, clause 9.9(2)	4							x						x
264	Code of Conduct, clause 9.9(4)	4	x											x	
265	Code of Conduct, clause 9.10(1)	4	x							x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
266	Code of Conduct, clause 9.10(2)	5					x							x	
267	Code of Conduct, clause 9.10(3)	4	x							x					
268	Code of Conduct, clause 9.10(4)	5	x							x					
269	Code of Conduct, clause 9.10(6)	4					x							x	
270	Code of Conduct, clause 9.11(1)	4					x							x	
271	Code of Conduct, clauses 9.11(2) and (3)	5	x											x	
272	Code of Conduct, clause 10.1(1)	4	x							x					
273	Code of Conduct, clause 10.1(2)	4	x							x					
274	Code of Conduct, clause 10.1(3)	4	x							x					
275	Code of Conduct, clause 10.2(1)	4					x							x	
276	Code of Conduct, clause 10.2(2)	4					x							x	
277	Code of Conduct, clause 10.2(3)	4					x							x	
278	Code of Conduct, clause 10.2(4)	4					x							x	
279	Code of Conduct, clause 10.3	4	x							x					
280	Code of Conduct, clause 10.3A	4	x							x					
281	Code of Conduct, clause 10.4	4	x							x					
282	Code of Conduct, clause 10.5	4	x							x					
283	Code of Conduct, clause 10.6	4	x							x					
284	Code of Conduct, clause 10.7(1)	4	x							x					
285	Code of Conduct, clause 10.7(2)	4	x							x					
286	Code of Conduct, clause 10.7(3)	4	x							x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
287	Code of Conduct, clause 10.7(4)	4	x							x					
288	Code of Conduct, clause 10.8(1)	4	x							x					
289	Code of Conduct, clause 10.8(2)	4	x							x					
290	Code of Conduct, clause 10.9	5	x							x					
291	Code of Conduct, clause 10.10(1)	4	x							x					
292	Code of Conduct, clause 10.10(2)	4	x							x					
293 (2014)	Code of Conduct, clause 10.10(3)	4	x							x					
294	Code of Conduct, clause 10.11(1)	4	x							x					
295	Code of Conduct, clause 10.11(2)	4	x							x					
296	Code of Conduct, clause 10.12(1)	4	x							x					
297	Code of Conduct, clause 10.12(2)	4	x							x					
298	Code of Conduct, clause 12.1(1)	4	x							x					
299	Code of Conduct, clause 12.1(2)	4	x							x					
300	Code of Conduct, clause 12.1(3)	4		x						x					
301	Code of Conduct, clause 12.1(4)	4	x							x					
302	Code of Conduct, clause 12.2	4	x							x					
303	Code of Conduct, clause 12.3	4	x							x					
304	Code of Conduct, clause 12.4	4	x							x					
305	Code of Conduct, clause 13.1	4		x						x					
306	Code of Conduct, clause 13.2	4		x						x					
307	Code of Conduct, clause 13.3	4		x						x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
308	Code of Conduct, clause 14.1(1)	4	x							x					
309	Code of Conduct, clause 14.1(2)	4							x						x
310	Code of Conduct, clause 14.2(1)	4	x							x					
311	Code of Conduct, clause 14.2(2)	4							x						x
312	Code of Conduct, clause 14.3(1)	4	x											x	
313	Code of Conduct, clause 14.4(1)	4						x						x	
314	Code of Conduct, clause 14.5	4						x						x	
315	Code of Conduct, clause 14.7(1)	4	x							x					
316	Code of Conduct, clause 14.7(2)	4	x							x					
319	Electricity Industry Metering Code, clause 3.1	2	x								x				
320	Electricity Industry Metering Code, clause 3.2(1)	4	x							x					
321	Electricity Industry Metering Code, clause 3.3(1)	4	x							x					
322	Electricity Industry Metering Code, clause 3.3(3)	4	x							x					
323	Electricity Industry Metering Code, clause 3.3A(1)	4	x							x					
324	Electricity Industry Metering Code, clause 3.3B	4							x						x
325	Electricity Industry Metering Code, clause 3.3C	4	x							x					
326	Electricity Industry Metering Code, clause 3.5(1) and (2)	4	x								x				
327	Electricity Industry Metering Code, clause 3.5(3)	2	x								x				

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
328	Electricity Industry Metering Code, clause 3.5(4)	4	x							x					
329	Electricity Industry Metering Code, clause 3.5(6)	4						x						x	
330	Electricity Industry Metering Code, clause 3.5(9)	2	x								x				
331	Electricity Industry Metering Code, clause 3.7	4	x							x					
332	Electricity Industry Metering Code, clause 3.8	4	x							x					
333	Electricity Industry Metering Code, clause 3.9(3)	2	x								x				
334	Electricity Industry Metering Code, clause 3.9(7)	2	x								x				
335	Electricity Industry Metering Code, clause 3.9(9)	4						x						x	
336	Electricity Industry Metering Code, clause 3.10	4	x							x					
337	Electricity Industry Metering Code, clause 3.11(1)	4	x								x				
338	Electricity Industry Metering Code, clause 3.11(2)	4						x						x	
340	Electricity Industry Metering Code, clause 3.11A(1)	2	x											x	
341	Electricity Industry Metering Code, clause 3.11A(2)	2	x								x				
342	Electricity Industry Metering Code, clause 3.12(1)	4	x							x					
343	Electricity Industry Metering Code, clause 3.12(2)	4	x							x					
344	Electricity Industry Metering Code, clause 3.12(3)	4	x							x					



Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
345	Electricity Industry Metering Code, clause 3.12(4)	4	x							x					
346	Electricity Industry Metering Code, clause 3.13(1)	4						x						x	
347	Electricity Industry Metering Code, clause 3.13(3)(c)	4	x							x					
348	Electricity Industry Metering Code, clause 3.13(4)	4	x							x					
349	Electricity Industry Metering Code, clause 3.14(3)	2	x											x	
355	Electricity Industry Metering Code, clause 3.20(1)	4						x						x	
356	Electricity Industry Metering Code, clause 3.20(3)	4							x						x
357	Electricity Industry Metering Code, clause 3.21(1)	2	x							x					
358	Electricity Industry Metering Code, clause 3.21(2)	4	x							x					
359	Electricity Industry Metering Code, clause 3.22	4	x							x					
360	Electricity Industry Metering Code, clause 3.23(a)	4							x						x
361	Electricity Industry Metering Code, clause 3.23(b)	4							x						x
362	Electricity Industry Metering Code, clause 3.24A(1)	4						x						x	
363	Electricity Industry Metering Code, clause 3.24B(1)	4						x						x	
366	Electricity Industry Metering Code, clause 4.1(1)	4	x								x				
367	Electricity Industry Metering Code, clause 4.1(2)	4	x							x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
368	Electricity Industry Metering Code, clause 4.1(3)	4	x							x					
370	Electricity Industry Metering Code, clause 4.3(1)	4	x								x				
371	Electricity Industry Metering Code, clause 4.4(1)	5						x						x	
374	Electricity Industry Metering Code, clause 4.6(1)	4						x						x	
375	Electricity Industry Metering Code, clause 4.6(2)	4						x						x	
376	Electricity Industry Metering Code, clause 4.7(1)	4						x						x	
377	Electricity Industry Metering Code, clause 4.8(3)	4						x						x	
378	Electricity Industry Metering Code, clause 4.8(3A)	4						x						x	
379	Electricity Industry Metering Code, clause 4.8(4)(a)	4	x							x					
380	Electricity Industry Metering Code, clause 4.8(4)(b)	4	x							x					
381	Electricity Industry Metering Code, clause 4.8(5)	4	x							x					
382	Electricity Industry Metering Code, clause 4.9	4	x							x					
383	Electricity Industry Metering Code, clause 5.1 (1)	5						x						x	
384	Electricity Industry Metering Code, clause 5.1(2)	5						x						x	
385	Electricity Industry Metering Code, clause 5.3	4	x							x					
386	Electricity Industry Metering Code, clause 5.4(1)	1		x							x				

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
387	Electricity Industry Metering Code, clause 5.4(1A)	2	x							x					
389	Electricity Industry Metering Code, clause 5.5(2)	5						x						x	
390	Electricity Industry Metering Code, clause 5.5(2A)	4	x							x					
391	Electricity Industry Metering Code, clause 5.6(1)	5						x						x	
392	Electricity Industry Metering Code, clause 5.7	4						x						x	
393	Electricity Industry Metering Code, clause 5.8	4						x						x	
394	Electricity Industry Metering Code, clause 5.9	4						x						x	
395	Electricity Industry Metering Code, clause 5.10	4						x						x	
397	Electricity Industry Metering Code, clause 5.12(1)	4						x						x	
398	Electricity Industry Metering Code, clause 5.13	4						x						x	
399	Electricity Industry Metering Code, clause 5.14(3)	4						x						x	
400	Electricity Industry Metering Code, clause 5.15	4						x						x	
403	Electricity Industry Metering Code, clause 5.17A(1)	4	x							x					
404	Electricity Industry Metering Code, clause 5.17A(3)	4	x							x					
409	Electricity Industry Metering Code, clause 5.19(5)	4						x						x	
411	Electricity Industry Metering Code, clause 5.20(1)	4						x						x	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
412	Electricity Industry Metering Code, clause 5.20(2)	4					x							x	
413	Electricity Industry Metering Code, clause 5.20(4)	4					x							x	
414	Electricity Industry Metering Code, clause 5.21(2)	4					x							x	
415	Electricity Industry Metering Code, clause 5.21(4)	4					x							x	
418	Electricity Industry Metering Code, clause 5.21(8)	4					x							x	
419	Electricity Industry Metering Code, clause 5.21(9)	4					x							x	
420	Electricity Industry Metering Code, clause 5.21(11)	4					x							x	
421	Electricity Industry Metering Code, clause 5.21(12)	4					x							x	
422	Electricity Industry Metering Code, clause 5.22(1)	4		x							x				
423	Electricity Industry Metering Code, clause 5.22(2)	4		x							x				
424	Electricity Industry Metering Code, clause 5.22(3)	4	x							x					
425	Electricity Industry Metering Code, clause 5.22(4)	4					x							x	
426	Electricity Industry Metering Code, clause 5.22(5)	4	x							x					
427	Electricity Industry Metering Code, clause 5.22(6)	4	x							x					
428	Electricity Industry Metering Code, clause 5.23(1)	4	x							x					
429	Electricity Industry Metering Code, clause 5.23(3)	4	x							x					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
430	Electricity Industry Metering Code, clause 5.24(1)	4	x											x	
431	Electricity Industry Metering Code, clause 5.24(2)	4	x											x	
432	Electricity Industry Metering Code, clause 5.24(3)	4	x											x	
433	Electricity Industry Metering Code, clause 5.24(4)	4						x						x	
434	Electricity Industry Metering Code, clause 5.25	4	x							x					
447	Electricity Industry Metering Code, clause 6.1(1)	2		x							x				
448A	Electricity Industry Metering Code, clause 6.2	5							x						x
448B	Electricity Industry Metering Code, clause 6.18	5							x						x
448C	Electricity Industry Metering Code, clause 6.19A(1)	5							x						x
448D	Electricity Industry Metering Code, clause 6.19B(1)	5							x						x
449	Electricity Industry Metering Code, clause 6.20(4)	5							x						x
450	Electricity Industry Metering Code, clause 6.20(5)	4							x						x
452	Electricity Industry Metering Code, clause 7.2(2)	4						x						x	
457	Electricity Industry Metering Code, clause 8.1(1)	5						x						x	
458	Electricity Industry Metering Code, clause 8.1(2)	5						x						x	
459	Electricity Industry Metering Code, clause 8.1(3)	5						x						x	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
460	Electricity Industry Metering Code, clause 8.1(4)	4					x							x	
461	Electricity Industry Metering Code, clause 8.3(2)	5					x							x	
462	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 5(1)	5	x							x					
463	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 8	5	x							x					
464	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 9	5	x							x					
465	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 10(1)	5	x							x					
466	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 10(2)	5	x							x					
467	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 12(3)	4	x							x					
468	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 13(2)	5	x							x					
469	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 13(3)	4	x							x					
470	Electricity Industry (Network Quality	4						x						x	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	and Reliability of Supply) Code 2005, clause 14(8)													
471	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 15(2)	4						x						x
472	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 18	4		x						x				
473	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 19	2		x						x				
474	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 21(1)	4	x							x				
475	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 21(2)	4	x							x				
476	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 21(3)	1	x							x				
477	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 23(1)	5	x							x				
478	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 23(2)	4	x							x				
479	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 24(3)	4	x							x				

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
480	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 24(4)	4	x							x					
481	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 25(2)	4	x							x					
482	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 25(3)	4	x							x					
483	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 26	4	x							x					
484	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 27(1)	4	x							x					
485	Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 27(3)	4	x							x					
486	Electricity Industry (Licence Conditions) Regulation, regulation 8	4						x						x	
487	Electricity Industry (Licence Conditions) Regulation, regulation 8	4	x							x					
488	Electricity Industry (Licence Conditions) Regulation, regulation 6	4	x							x					
489	Electricity Industry (Licence Conditions) Regulation, regulation 7	4	x							x					



Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)						
			A	B	C	D	NP	NA	1	2	3	4	NR	NA	
490	Electricity Industry Act, section 61 and 65	4					x							x	
491	Electricity Industry Act, section 62, 64 and 65	4					x							x	
492	Electricity Industry Act, section 65	4					x							x	
496	Electricity Industry (Customer Contracts) Regulations 2005 regulation 40	4	x							x					

# 5. Observations – Performance

## Audit Details

The following sets out the audit findings. The obligations are listed as these appear in the Electricity Compliance Reporting Manual October 2016.

### 5.1. Unresolved observations during the audit period (with recommendations)

The management responses in this section provided by Horizon Power in Appendix 4 constitutes the post implementation plan and does not form part of the audit report prepared by KPMG.

<b>Compliance Manual Reference: 158</b>		<b>Compliance Rating</b> B / 2
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.7		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>158</b>	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.	
<b>Observations</b>		
<p>Sample based testing of 15 regional customers identified one instance during the performance audit period, 1 April 2015 to 31 March 2017, where an actual meter reading for a non-advanced meter has not been performed at least once in a 12 month period. Horizon Power's advanced meters automatically send reads of the meter into the Meter Data Repository every 15 minutes which is uploaded into mData21 overnight and therefore does not require physical inspection of meters to prepare invoices. mData21 automatically creates a must read queue and therefore the advanced meters will only require a physical inspection if the connection is lost from the meter for more than 12 months.</p> <p>It is noted that in response to similar non-compliances identified in the 2014/15 performance audit, Horizon Power proposed the following action plan in May 2015 for completion in September 2015 to ensure meter reading data is obtained as frequently as required to prepare its bills;</p> <ol style="list-style-type: none"> <li>1. Customer Service will continue with its existing continual process improvement methodology through weekly reporting and root cause analysis;</li> <li>2. Process enhancements will be implemented, if identified; and</li> <li>3. Regional Managers are to reinforce with staff the importance of following the process.</li> </ol> <p>It has been noted that following the completion of the Meter Exchange Project, the advanced meters will incorporate remote facilitation of meter reads and the likelihood of non-compliances will be further reduced.</p> <p>However, based on discussions with the Retail &amp; Community Manager (Gascoyne) it was determined that there was a lack of awareness of the current established procedural documentation, accessible in the Learning Guide, in relation to performing estimated reads and manual actual reads for advanced meters in the regions. Additionally, there is capability to generate reports to monitor must read service order due dates against actual service order completion dates, however the Regional Offices are not currently using these monitoring mechanisms.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – generally adequate controls – improvement required	
<b>Compliance Rating</b>	2 – Non-compliant minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Regional Managers are to reinforce with staff the importance of following the process and to arrange training as required for using existing monitoring and reporting mechanisms to track outstanding must read service order due dates against actual service order completion dates.		
<b>Management Response and Actions Required</b>		
Esperance depot has engaged contract resources to ensure annual reads for the 159 residual meters are captured in a timely manner. This arrangement will continue until such time as meter communications are at the point where manual meter readings are no longer required. Recommendation accepted and process has been reinforced in May 2017. This will be discussed again at a Regional Managers forum in Perth in August 17.		
<b>Due Date</b>		
August 2017		
<b>Responsible/Accountable Business Unit or Stakeholder</b>		
Manager Goldfields Esperance Business		

<b>Compliance Manual Reference: 211, 212</b>		<b>Compliance Rating</b> B / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.4(1)(a)(b)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>211</b>	If a residential customer is experiencing payment difficulties, a retailer must offer the residential customer at least the following payment arrangements: <ul style="list-style-type: none"> <li>• additional time to pay a bill; and</li> <li>• if requested by the residential customer, an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.</li> </ul>	
<b>212</b>	If a residential customer is experiencing financial hardship, a retailer must offer the residential customer at least the following payment arrangements: <ul style="list-style-type: none"> <li>• additional time to pay a bill; and</li> <li>• An interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.</li> </ul>	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer and examination of the Financial Hardship Procedure, it was noted Horizon Power will always offer customers experiencing financial hardship additional time to pay a bill and the option to enter into a payment arrangement plan.</p> <p>The Senior Customer Service Officer advised that once a customer provides information on any payment difficulties, Horizon Power will allow additional time to pay a bill. This is performed through a 28 business day credit activity suppression (a system control to take a customer off the credit cycle for up to 28 days at a time), applied to the Velocity customer account. Through examination of the Horizon Power Hardship and Hardship Utility Grant Scheme (HUGS) Overview, it was noted that the steps to apply a 28 business day suppression is outlined in this document.</p> <p>If a customer is experiencing payment difficulties and requests to be placed on an instalment plan then Horizon Power will offer this interest-free and fee-free under which the residential customer is given additional time to pay the bill or to pay arrears and is permitted to continue consumption.</p> <p>Sample based testing was performed on five customers who were experiencing payment difficulties. Through observation of credit calls and comments within Velocity, it was revealed that in all five instances a customer was offered the appropriate payment arrangement plan. However, testing revealed that one of the five credit call recordings could not be obtained. For this sample, testing was satisfied through the examination of comments within Velocity.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Horizon Power has complied with the licence condition during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
Horizon Power investigate why the Computershare phone recording was unable to be obtained and subsequently consider if the appropriateness of implementing additional controls.		
<b>Management Response and Actions Required</b>		
Horizon Power has never had a breach of these obligations and have considered the recommendation, however will not be acting on the additional control recommendations unless a commercial, customer or regulatory risk arises.		
<b>Due Date</b>		
N/A		
<b>Responsible/Accountable Business Unit or Stakeholder</b>		
Manager Customer Service		

<b>Compliance Manual Reference: 238A, 239</b>		<b>Compliance Rating</b> B / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.7(4A) & 7.7(5)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>238A</b>	A distributor must use best endeavours to contact the customer, or someone residing at the supply address, prior to an interruption to restore supply to a supply address that is registered as a life support equipment address.	
<b>239</b>	If a distributor has already provided notice of a planned interruption that will affect a supply address, prior to the distributor registering a customer's supply address as a life support equipment address, the distributor must use best endeavours to contact that customer or someone residing at the supply address prior to the planned interruption.	
<b>Observations</b>		
<p>Discussions with the Regional Retail and Community Services Manager (Carnarvon) noted that it is standard practice that depot staff "door knock" properties affected by a planned outage and drop a planned interruption card for them. All registered life support customers are located in the Carnarvon region.</p> <p>Business Services Officers in Carnarvon manually check the daily life support register with the planned outages to ensure to call customers affected by a planned outage at least three days prior. Examination of the generic planned interruption form showed that it is addressed to a specific street/road address with the day, date and time of the planned interruption and shows some considerations for the customer during a planned power interruption and relevant emergency contact numbers.</p> <p>It has been noted that although there has been regular planned interruptions scheduled for supply addresses at Carnarvon there is no evidence retained demonstrating best endeavours to contact life support customer to update them on the planned outage and therefore compliance to obligation 7.7(5) could not be tested.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however, due to no evidence in the audit period, compliance could not be tested.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
Regional Managers in Carnarvon to ensure staff capture detailed system notes where a life support customer and/or their caregiver has been contacted to inform of a planned outage. Management to update work instructions to capture this in the planned outages process.		
<b>Management Response and Actions Required</b>		
Management to update and reinforce the work instructions regarding the following activities with the regional team, Works Delivery Coordinator and contractors, in relation to:		
<ol style="list-style-type: none"> <li>the advising and capturing/recording of verbal/in-person contact in Velocity; and</li> <li>daily checking of Life Support list during outage notification periods for new registrations.</li> </ol>		
<b>Due Date</b>		
31 July 2017. Management has confirmed that this has been completed.		
<b>Responsible/Accountable Business Unit or Stakeholder</b>		
Retail & Community Manager (Carnarvon)		

<b>Compliance Manual Reference: 257</b>		<b>Compliance Rating</b> B / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.5(1) & 9.5(2)		<b>Reporting Type</b> 1
<b>Obligation Description</b>		
<b>257</b>	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support equipment, a retailer must not provide a pre-payment meter service in that address; or, if applicable, comply with the prescribed requirements in subclauses 9.5(1) (a)-(c).	
<b>Observations</b>		
<p>Discussions with the Pre-payment Meter Officer determined that if a customer inquired about a pre-payment meter service but indicated that they required life support then Horizon Power would only offer a credit meter to that customer. It was noted that previously an Account Establishment Form which clearly stated "life support customers cannot be pre-payment customers" was widely used, however, since most pre-payment customers are now established by telephone, a review of the work instructions determined that there is no prompt in the Velocity question-flow to remind the customer service operator to inquire about a customer's life support requirements. It is noted that the question is asked as stated in the pre-payment scripting read out by the Pre-payment Meter Officer when establishing pre-payment customers over the telephone.</p> <p>The Retail Services Manager noted registering life support customers is a manual process normally performed over the telephone with the customer. It would be identified through Velocity, during this telephone, call if this is a prepayment customer and would prompt the requirement to change the advanced meter from prepayment to credit.</p> <p>A comparison between the pre-payment customer meter listing and Horizon Power life support customer listing did not identify any customer who was on both listings.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Horizon Power has complied with the licence condition during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
Management to update the question flow within Velocity to include a question on whether the customer inquiring about a pre-payment meter service may also require life support.		
<b>Management Response and Actions Required</b>		
Horizon Power has updated its work instructions and considered the recommendations for updating the workflow, however will not be implementing additional controls unless a commercial, customer or regularity risk arises as manual process and instruction are sufficient.		
<b>Due Date</b>		
N/A		
<b>Responsible/Accountable Business Unit or Stakeholder</b>		
Manager Customer Service		

<b>Compliance Manual Reference: 300</b>		<b>Compliance Rating</b> B / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 12.1(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>300</b>	A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).	
<b>Observations</b>		
<p>Through discussions with the Retail &amp; Services Manager and examination of the Computershare Complaints Process Work Instructions and Customer Charter it was noted that when responding to a complaint, Horizon Power will advise the customer that the complaint can be assessed by a senior employee. If the customer is not satisfied with how the complaint has been resolved internally, Horizon Power will advise the customer that the complaint can be referred to the Energy Ombudsman. The Energy Ombudsman's free call number 1800 754 004 is stated on the Horizon Power website and on the customer's bill, and provided to the customer when they contact the call centre about their complaint.</p> <p>When customers submit a complaint form through the Horizon Power website, it is stated that a customer may have a complaint reviewed by a senior employee. This section of the website also states if the customer is not satisfied with the outcome of a lodged complaint, the customer is able to refer the complaint to the Energy Ombudsman.</p> <p>The Retail &amp; Community Manager advised that a suite of training modules is offered to all Computershare staff and included in this suite of training is a module on the complaints process. Training is monitored and tracked in a spreadsheet which is updated and reviewed on a monthly basis.</p> <p>Sample based testing was performed on five customer complaints. Through observation of telephone call recordings and comments within Velocity, it was revealed that in all five instances the complaint was escalated to a senior employee or the customer was advised of the option to have the complaint escalated to a senior employee. The customers were also informed that the complaint can be referred to the Energy Ombudsman. However, this testing also revealed one of the five credit call recordings could not be located from Computershare. For this instance, testing criteria was satisfied through the examination of notes recorded in Velocity.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Horizon Power has complied with the licence condition during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
Horizon Power investigate why the telephone recording was not able to be located to determine if additional controls are required to ensure retention of credit call recordings.		
<b>Management Response and Actions Required</b>		
Horizon Power has considered the recommendations, however will not be implementing additional controls unless a commercial, customer or regularity risk arises.		
<b>Due Date</b>		
N/A		
<b>Responsible/Accountable Business Unit or Stakeholder</b>		
Manager Customer Service		

<b>Compliance Manual Reference: 319</b>		<b>Compliance Rating</b> A / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>319</b>	A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and also comply with any applicable specifications or guidelines, including any transitional arrangements, specified by the National Measurement Institute under the National Measurement Act.	
<b>Observations</b>		
<p>The 2011 performance audit recognised Horizon Power's doubts whether its meters were compliant with the relevant requirements and specifications. The results of the sample meter testing performed by Formway Group in 2011, for both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and Eister meters installed post January 2010.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters.</p> <p>Through discussions with Manager Customer Service, Meter Services Manager and Meter Data Coordinator, it was confirmed that:</p> <ul style="list-style-type: none"> <li>• The AMI-exchange project was completed in December 2016.</li> <li>• As the process of replacement of current meters with AMI was still in progress during the audit period, Horizon Power concluded that it was operating non-compliant meters during the audit period and was therefore non-compliant with this obligation.</li> <li>• As at the end of the audit period, Horizon Power had 159 meters on its network which had not yet been exchanged. For the metering installations associated with these 159 meters, it was noted: <ul style="list-style-type: none"> <li>○ 46 are scheduled to be exchanged with an advanced meter;</li> <li>○ 90 had been de-energized, supply abolished, or were scheduled to be de-energized/supply abolished; and</li> <li>○ 23 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 23 meters are not verified, may no longer be pattern approved, and have not been subsequently individually tested to identify whether these are meeting the accuracy requirements required of utility meters.</li> </ul> </li> </ul> <p>The primary cause for all 23 non-compliant meters still in operation is despite Horizon Power's best endeavours to reach agreements to allow for the exchange of the non-compliant meters, the customers associated with these meters have refused to allow Horizon Power to exchange the meters to the advanced meters.</p> <p>For the interim period until the completion of installation for all advanced meters in 2017, Horizon Power has adopted a draft of the 'Western Australian Electricity Market Metrology Procedures for Metering Installations' as its metrology standard. The procedure was reviewed and amended by Horizon Power in alignment with Metering Code 2012 to include additional requirements and clarifications as well as specific reference to AMI and its components.</p> <p>It was noted during fieldwork that Horizon Power submitted a revised Metrology Procedure and revised Mandatory Link Criteria to the Authority for review and approval on 12 April 2017, which is outside of this audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Horizon Power to continue progression with the exchange of the remaining non-compliant meters and communicate with the customers associated with these meters as far as possible.		
<b>Management Response and Actions Required</b>		
<p>Horizon Power has attempted to exercise the Energy Operators Power in some of these instances and have been met with Hostility from particular customers.</p> <p>Horizon Power is concerned about the safety risk to its employees in the regions and reputational risk to Horizon Power and Government. Horizon Power will consult with the minister and will further discuss with the ERA the course of action proposed. In the meantime, Horizon Power will work with these customers where possible to seek resolution.</p>		
<b>Due Date</b>		
December 2017		
<b>Responsible/Accountable Business Unit or Stakeholder</b>		
Manager Customer Service		



<b>Compliance Manual Reference: 326</b>		<b>Compliance Rating</b> A / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.5(1) and (2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>326</b>	A network operator must ensure that there is a metering installation at every connection point on its network that is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.	
<b>Observations</b>		
<p>Through discussions with Meter Services Manager and Meter Data Coordinator, examination of documentation and inspection of Horizon Power's metering database system mData21, it was determined that:</p> <ul style="list-style-type: none"> <li>Horizon Power's 2006 Metrology Procedure specifically addresses this obligation at Section 2.1, which includes that a physical metering installation shall be proved for all connection points of type 1 to 6.</li> <li>Schedules 1 – 4 of Horizon Power's 2006 metrology procedure identify and address the relevant requirements under Clause 3.5(2) of the Code.</li> <li>The WA Distributions Connections Manual provides for the correct installation of meters by electricians. Horizon Power's internal policies and procedures provide for the inspection of new metering installations in accordance with the WA electricity safety standards and the WA Distributions Connections Manual.</li> <li>The automatic monitoring, detecting and preventative controls contained within mData21, provide mechanisms to ensure that each connection point on Horizon Power's network has a compliant metering installation. Further, the Inspectorate Service Officer's daily review of open service orders for installation of meters and receipt of notices of completion for new connection points, adequately ensure that compliant metering installations exist at every connection point prior to energising the installation.</li> </ul> <p>The 2011 performance audit recognised Horizon Power's doubts whether its meters were compliant with the relevant requirements and specifications. The results of the sample meter testing performed by Formway Group in 2011, for both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and Elster meters installed post January 2010.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters. As of completion of the AMI-exchange project in December 2016, these metering installations meet or exceed the standards required for type 6 installations.</p> <p>Through discussions with Manager Customer Service, Meter Services Manager and Meter Data Coordinator, it was confirmed that:</p> <ul style="list-style-type: none"> <li>The AMI-exchange project was completed in December 2016.</li> <li>As the process of replacement of current meters with AMI was still in progress during the audit period, Horizon Power concluded that it was operating non-compliant meters during the audit period and was therefore non-compliant with this obligation.</li> <li>As at the end of the audit period, Horizon Power had 159 meters on its network which had not yet been exchanged. For the metering installations associated with these 159 meters, it was noted: <ul style="list-style-type: none"> <li>46 are scheduled to be exchanged with an advanced meter;</li> <li>90 had been de-energized, supply abolished, or were scheduled to be de-energized/supply abolished; and</li> <li>23 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 23 meters are not verified, may no longer be pattern approved, and have not been subsequently individually tested to identify whether these are meeting the accuracy requirements required of utility meters.</li> </ul> </li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Horizon Power has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Refer to recommendation in obligation 319.		

<b>Compliance Manual Reference: 327</b>		<b>Compliance Rating</b> A / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.5(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>327</b>	For each metering installation on its network, a network operator must provide, install, operate and, subject to sub clause 3.7(5), maintain the metering installation in the manner prescribed, unless otherwise agreed.	
<b>Observations</b>		
<p>Horizon Power is responsible for the design, provision, installation and maintenance of metering installations.</p> <p>The 2011 performance audit recognised Horizon Power's doubts whether its meters were compliant with the relevant requirements and specifications. The results of the sample meter testing performed by Formway Group in 2011, for both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and Eister meters installed post January 2010.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters.</p> <p>Through discussions with Manager Customer Service, Meter Services Manager and Meter Data Coordinator, it was confirmed that:</p> <ul style="list-style-type: none"> <li>• The AMI-exchange project was completed in December 2016.</li> <li>• As the process of replacement of current meters with AMI was still in progress during the audit period, Horizon Power concluded that it was operating non-compliant meters during the audit period and was therefore non-compliant with this obligation.</li> <li>• As at the end of the audit period, Horizon Power had 159 meters on its network which had not yet been exchanged. For the metering installations associated with these 159 meters, it was noted: <ul style="list-style-type: none"> <li>○ 46 are scheduled to be exchanged with an advanced meter;</li> <li>○ 90 had been de-energized, supply abolished, or were scheduled to be de-energized/supply abolished; and</li> <li>○ 23 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 23 meters are not verified, may no longer be pattern approved, and have not been subsequently individually tested to identify whether these are meeting the accuracy requirements required of utility meters.</li> </ul> </li> </ul> <p>As Horizon Power was operating metering installations during the audit period that were non-compliant with the <i>Code</i> and approved metrology procedure, it was concluded that Horizon Power is non-compliant with this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however given the exchange of meters was not completed before the commencement of the audit period, Horizon Power has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Refer to recommendation in obligation 319.		

<b>Compliance Manual Reference: 330</b>		<b>Compliance Rating</b> A / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.5(9)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>330</b>	If a network operator becomes aware that a metering installation does not comply with the Code, it must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.	
<b>Observations</b>		
<p>The 2011 performance audit recognised Horizon Power's doubts whether its meters were compliant with the relevant requirements and specifications. The results of the sample meter testing performed by Formway Group in 2011, for both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and Eister meters installed post January 2010.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters.</p> <p>Through discussions with Manager Customer Service, Meter Services Manager and Meter Data Coordinator, it was confirmed that:</p> <ul style="list-style-type: none"> <li>• All customers were informed that existing meters were non-compliant and may not be accurate.</li> <li>• The AMI-exchange project was completed in December 2016.</li> <li>• As the process of replacement of current meters with AMI was still in progress during the audit period, Horizon Power concluded that it was operating non-compliant meters during the audit period and was therefore non-compliant with this obligation.</li> <li>• As at the end of the audit period, Horizon Power had 159 meters on its network which had not yet been exchanged. For the metering installations associated with these 159 meters, it was noted: <ul style="list-style-type: none"> <li>○ 46 are scheduled to be exchanged with an advanced meter;</li> <li>○ 90 had been de-energized, supply abolished, or were scheduled to be de-energized/supply abolished; and</li> <li>○ 23 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 23 meters are not verified, may no longer be pattern approved, and have not been subsequently individually tested to identify whether these are meeting the accuracy requirements required of utility meters.</li> </ul> </li> </ul> <p>All customers were advised of the reasons and benefits of the advanced meter installation through the customer newsletter: On the Horizon. The July/August 2016 edition explained the limitations of the existing meters and how these would be resolved with the installation of the advanced meters.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Horizon Power has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Refer to recommendation in obligation 319.		

<b>Compliance Manual Reference: 333, 334</b>		<b>Compliance Rating</b> A / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.9(3) and clause 3.8(7)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>333</b>	Subject to sub clauses 3.9(4), 3.9(5) and 3.9(7), each metering installation must meet at least the requirements for that type of metering installation as specified in Table 3 in Appendix 1 of the Code.	
<b>334</b>	A metering installation used to supply a customer with requirements above 1000 volts that requires a VT and whose annual consumption is below 750MWh must meet the relevant accuracy requirements of a Type 3 metering installation for active energy only.	
<b>Observations</b>		
<p>The 2011 performance audit recognised Horizon Power’s doubts whether its meters were compliant with the relevant requirements and specifications. The results of the sample meter testing performed by Formway Group in 2011, for both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and Eister meters installed post January 2010.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters.</p> <p>Through discussions with Manager Customer Service, Meter Services Manager and Meter Data Coordinator, it was confirmed that:</p> <ul style="list-style-type: none"> <li>• The AML-exchange project was completed in December 2016.</li> <li>• As the process of replacement of current meters with AML was still in progress during the audit period, Horizon Power concluded that it was operating non-compliant meters during the audit period and was therefore non-compliant with this obligation.</li> <li>• As at the end of the audit period, Horizon Power had 159 meters on its network which had not yet been exchanged. For the metering installations associated with these 159 meters, it was noted: <ul style="list-style-type: none"> <li>○ 46 are scheduled to be exchanged with an advanced meter;</li> <li>○ 90 had been de-energized, supply abolished, or were scheduled to be de-energized/supply abolished; and</li> <li>○ 23 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 23 meters are not verified, may no longer be pattern approved, and have not been subsequently individually tested to identify whether these are meeting the accuracy requirements required of utility meters.</li> </ul> </li> <li>• Horizon Power has one customer on its network that meets the specifications of obligation 334 and was noted to be compliant with the type 3 accuracy requirements.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Horizon Power has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Refer to recommendation in obligation 319.		

<b>Compliance Manual Reference: 337</b>		<b>Compliance Rating</b> A / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.11(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>337</b>	A network operator must ensure that a metering installation on its network is operating consistently with good electricity industry practice to measure and record data, and permits the collection of data within the time specified in the applicable service level agreement, for at least the percentages of the year specified.	
<b>Observations</b>		
<p>Clause 3.11(1) of the Metering Code specifies the requirement for Horizon Power to ensure that its meters permit the collection of data at a level of availability of at least:</p> <p>a) If the metering installation does not have a communications link – 99% of the year; and</p> <p>b) If the metering installation has a communications link:</p> <p>i. For the communications link – 95% of the year; and</p> <p>ii. For the rest of the metering installation – 99% of the year.</p> <p>The 2011 performance audit recognised Horizon Power’s doubts whether its meters were compliant with the relevant requirements and specifications. The results of the sample meter testing performed by Formway Group in 2011, for both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and Eister meters installed post January 2010.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters.</p> <p>Through discussions with Manager Customer Service, Meter Services Manager and Meter Data Coordinator, it was confirmed that:</p> <ul style="list-style-type: none"> <li>• The AMI-exchange project was completed in December 2016.</li> <li>• As the process of replacement of current meters with AMI was still in progress during the audit period, Horizon Power concluded that it was operating non-compliant meters during the audit period and was therefore non-compliant with this obligation.</li> <li>• Horizon Power’s daily data collection read success rate for advanced meters over was sighted to average around 99% over a 7 day period</li> <li>• As at the end of the audit period, Horizon Power had 159 meters on its network which had not yet been exchanged. For the metering installations associated with these 159 meters, it was noted: <ul style="list-style-type: none"> <li>o 46 are scheduled to be exchanged with an advanced meter;</li> <li>o 90 had been de-energized, supply abolished, or were scheduled to be de-energized/supply abolished; and</li> <li>o 23 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power’s best endeavours to reach agreements to allow for the exchange. These 23 meters are not verified, may no longer be pattern approved, and have not been subsequently individually tested to identify whether these are meeting the accuracy requirements required of utility meters.</li> </ul> </li> </ul> <p>As Horizon Power was operating metering installations during the audit period that had failed the Formway Group 2011 sample meter testing, it was concluded that Horizon Power was non-compliant with this obligation</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Horizon Power has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Refer to recommendation in obligation 319.		

<b>Compliance Manual Reference: 341</b>		<b>Compliance Rating</b> A / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.11A(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>341</b>	Subject to clause 3.11A(3), if a "population" of meters is deemed to have failed under AS 1284.13, the network operator must ensure that all of the meters in that population are removed and replaced with new meters within 3 years of the testing of the population.	
<b>Observations</b>		
<p>The 2011 performance audit recognised Horizon Power's doubts whether its meters were compliant with the relevant requirements and specifications. The results of the sample meter testing performed by Formway Group in 2011, for both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and Eister meters installed post January 2010.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters.</p> <p>Through discussions with Manager Customer Service, Meter Services Manager and Meter Data Coordinator, it was confirmed that:</p> <ul style="list-style-type: none"> <li>• The AMI-exchange project was completed in December 2016.</li> <li>• As the process of replacement of current meters with AMI was still in progress during the audit period, Horizon Power concluded that it was operating non-compliant meters during the audit period and was therefore non-compliant with this obligation.</li> <li>• As at the end of the audit period, Horizon Power had 159 meters on its network which had not yet been exchanged. For the metering installations associated with these 159 meters, it was noted: <ul style="list-style-type: none"> <li>○ 46 are scheduled to be exchanged with an advanced meter;</li> <li>○ 90 had been de-energized, supply abolished, or were scheduled to be de-energized/supply abolished; and</li> <li>○ 23 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 23 meters are not verified, may no longer be pattern approved, and have not been subsequently individually tested to identify whether these are meeting the accuracy requirements required of utility meters.</li> </ul> </li> </ul> <p>As Horizon Power still had meters in operation of the same pattern types that had failed the 2011 Formway Group sample meter testing, which was conducted more than three years ago, during the audit period, it was concluded that Horizon Power is non-compliant with this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Horizon Power has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Refer to recommendation in obligation 319.		

<b>Compliance Manual Reference: 386</b>		<b>Compliance Rating</b> B / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.4(1) and 5.4(1A)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>386</b>	A network operator must, for each meter on its network, at least once in every 12 month period undertake a meter reading that provides an actual value that passes the validation processes in Appendix 2.	
<b>Observations</b>		
<p>Through discussions with the Meter Data Coordinator, it was confirmed that Horizon Power administered and managed all meter reading activities in-house during the audit period.</p> <p>It was identified that Horizon Power's metering database, mData21, has been programmed in line with its billing software, Velocity, to issue a 'must read' service order where no actual meter read has been obtained for either:</p> <ul style="list-style-type: none"> <li>• Four consecutive bi-monthly billing cycles (eight months); or</li> <li>• Seven monthly billing cycles.</li> </ul> <p>Through discussions with the Meter Data Coordinator, it was confirmed that there were known instances during the audit period where an actual meter read had not been obtained within the 12 month period in the Goldfields Esperance region. Examination of a report generated from mData21 identified that actual reads taken during the audit period resulted in:</p> <ul style="list-style-type: none"> <li>• 831 instances of periods between actual reads exceeding 12 months.</li> <li>• Of the 831 instances, 25 instances where the period between actual reads exceeded 12 months occurring entirely within the audit period. It was noted that the overall trend of when the instances occurred was in decline, with the majority occurring by August 2016, just prior to the completion of the AMI project.</li> <li>• Of those 25 instances, approximately 6 occurred after the completion of the AMI exchange project in December 2016.</li> </ul> <p>Through discussions with staff, analysis of Horizon Power's processes and procedures, and consideration of the data provided, it was noted that:</p> <ul style="list-style-type: none"> <li>• The predominant cause of the 831 occurrences was final actual reads being taken from meters that were exchanged as part of the AMI exchange project; and</li> <li>• The non-compliance of regional depots following established processes and procedures to ensure must read service orders are actioned within the required timeframes is the primary cause of no actual read being obtained within the required 12 month period.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 – Non-compliance – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Regional Managers are to reinforce with staff the importance of following the process and to arrange training as required for using existing monitoring and reporting mechanisms to track outstanding must read service order due dates against actual service order completion dates.		
<b>Management Response and Actions Required</b>		
Esperance has now attained actual reads for the installations discussed. There are currently no installations in Esperance that have not had an actual read within the last 12 months. Daily reporting is now established and the process has been reinforced. This will be discussed again at a Regional Managers forum in Perth in August 17.		
<b>Due Date</b>		
August 2017		
<b>Responsible/Accountable Business Unit or Stakeholder</b>		
Manager Goldfields Esperance Business		

<b>Compliance Manual Reference: 366, 370</b>		<b>Compliance Rating</b> A / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		<b>Reporting Type</b> 2
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 4.1(1) and clause 4.3(1)		
<b>Obligation Description</b>		
<b>366</b>	A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network.	
<b>370</b>	The standing data for a metering point must comprise at least the items specified.	
<b>Observations</b>		
<p>Clause 4.3(1) of the Code requires that the standing data for a metering point must comprise at least the items specified in Table 2.</p> <p>It was identified during testing that mData21 does not contain all standing data items required under Table 2 'Description and designated source of standing data to be contained in the registry'. The standing data items required under Table 2 identified as omitted from mData21 include:</p> <ul style="list-style-type: none"> <li>• Substation name;</li> <li>• Length of network between metering point and substation;</li> <li>• Distribution loss factor;</li> <li>• Location of metering equipment on site and reference details;</li> <li>• Metering installation type;</li> <li>• "Write" password;</li> <li>• Processing of alarms; and</li> <li>• Check Metering compensation details.</li> </ul> <p>It was additionally noted during fieldwork that Horizon Power was in the process of drafting a set of Communication Rules. In assessing a recommended action plan, it was considered that in accordance with Clause 4.3(3) of the Code, Horizon Power may use its communication rules, once approved and published, to remove, modify or add any requirement in clause 4.3(1) for standing data.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Horizon Power has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Management to consider the identified standing data items required under Table 2 at have been omitted from mData21.		
<b>Management Response and Actions Required</b>		
Horizon Power will provide the communication rules to the ERA for Approval by 31 October 2017 to remove, modify or add any requirement in clause 4.3(1) for standing data that is currently omitted from mData21.		
<b>Due Date</b>		
31 October 2017		
<b>Responsible/Accountable Business Unit or Stakeholder</b>		
Manager Customer Service		

## 5.2. Resolved observations during the audit period

<b>Compliance Manual Reference: 75</b>	<b>Compliance Rating</b>
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<b>Licence Clause:</b> Electricity Industry (Obligation to Connect) Regulation, regulation 6		<b>B / 2</b>
<b>Licence Obligation:</b> Electricity Industry (Obligation to Connect) Regulation, regulation 6 & 8		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>75</b>	A distributor that is obliged to attach, or connect, premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must do so within a defined timeframe.	
<b>Observations</b>		
<p>Discussions with the Retail Services Manager and examination of reconnections processes and procedures determined Horizon Power and Serviceworks have frameworks, processes and procedures in place to connect a new premise within 20 business days and processes in place for connections exceeding 20 business days. It was noted that Horizon Power endeavours to connect a premise within the 20 business day timeframe regardless of whether the premises are within a metropolitan or non-metropolitan area.</p> <p>Horizon Power has the following process to connect a new premise where it has been deemed safe to do so:</p> <ul style="list-style-type: none"> <li>● Account Establishment; new accounts are established within three business days of a customer's request;</li> <li>● Preliminary &amp; Completion Notices; Completion notices are to be validated within three business days of receipt from customer;</li> <li>● New Connections Service Order; New Connection Service order is to be dispatched to the crew within one business day as a valid completion notice is accepted and entered into mData21;</li> <li>● Late New Connections; if connection is expected to exceed 20 business days, customers must be sent a notification and explanation;</li> <li>● Field Completion; Service order completed by the required date; and</li> <li>● New connection service order completion in mData21 within five business days of field completion.</li> </ul> <p>Examination of Horizon Power's annual compliance report for the period 1 July 2015 to 30 June 2016 noted that in 2015-16 financial year there were two (located in Port Hedland &amp; Laverton) of 862 new connections where Horizon Power failed to comply with the 20 business day connection timeframe. These non-compliances occurred as the relevant Horizon Power procedures were not followed to attain the appropriate verifiable consent in a timely manner to confirm a customer's identity and thereby grant Horizon Power permission to connect the customer's supply address.</p> <p>Sample based testing of 20 connections noted one instance during the performance audit period, 1 April 2015 to 31 March 2017, where Horizon Power did not connect four meters on the same premises to the distribution system within the specified 20 business days, and one exception where the work to connect the premises to the distribution system began 32 business days before the service order was made. Further investigation with the Inspectorate Support Officer noted that the four instances relating to one multi-connection set up were attributed to a failed safety inspection leading to delays on the same property. The customer was kept informed during the delay and customer consent was attained through e-mail correspondence. Horizon Power did not include this connection in the annual compliance report given the safety concerns identified. It has been determined that these exceptions identified non-compliances with the obligated timeframes for connecting a premise.</p> <p>Examination of the connections process flow noted that an mData21 report is automatically generated each Monday and sent to the regional inbox to report and identify any new connections open for greater than 10 business days. This is in response to the previous performance audit where Action Plan 1/2015 planned to change the dashboard report to 10 business day's requirement to facilitate earlier identification and communication to obtain customers' verifiable consent.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>No further action given implementation of controls on 30 September 2015.</p> <p>An mData21 report is automatically generated each Monday and sent to the regional inbox to report and identify any new connections open for greater than 10 business days to facilitate earlier identification and communication to obtain customers' verifiable consent.</p>		

<b>Compliance Manual Reference: 145</b>		<b>Compliance Rating</b> B / 2
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>145</b>	A retailer must issue a bill no more than once a month and at least once every three months, except for the circumstances specified in sub-clause 4.1.	
<b>Observations</b>		
<p>Examination of the Compliance Report dated 1 July 2015 to 31 June 2016 noted Horizon Power have reported to the Authority instances of invoicing customers greater than 90 days from the previous invoice. For the financial year ended 30 June 2016, there were 29 accounts without a bill raised for more than 90 days and validation of one of these non-compliances during the audit period 1 April 2015 to 31 March 2017 determined it was due to a service order not being completed. It is noted that Horizon Power does not issue a bill more than once a month but at least once every three months unless the customer has provided verifiable consent to issue bills more frequently.</p> <p>The improvement in meter reading through advanced meters is anticipated to create efficiency in the billing process. This will reduce the number of validations and delays to billing. An exception report showing customers not billed is now available for Management to identify any overdue meter readings. However, during the audit period the established controls were not adequate to prevent accounts without a bill raised for more than 90 days. Management are now monitoring the exception report showing customers not billed on a daily basis to ensure estimated read validations are performed within the prescribed timeframes in the billing procedures.</p> <p>Horizon Power has system controls in place within their billing system which restricts the creation and issue of invoices more than once a month. During the audit period, there was no instances where a customer was billed more than once within a month.</p> <p>Management are now monitoring the exception report showing customers not billed on a daily basis to ensure estimated read validations are performed within the prescribed timeframes in the billing procedures.</p> <p>It was sighted that Horizon Power has not exceeded five accounts unbilled for greater than 90 days for the financial year ended 30 June 2017 and these five customers were billed not long after the 90 day period. Following the implementation of the daily monitoring, Horizon Power has achieved a result of zero accounts unbilled greater than 90 days.</p> <p>Based on enquiries and examination of documentation, it was concluded that during the audit period there were generally adequate controls in place with some improvement needed and Horizon Power has been non-compliant with minor impact on customers and third parties during the audit.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
No further action given resolution of exception during December 2016.		

<b>Compliance Manual Reference: 165</b>		<b>Compliance Rating</b> B / 2
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.11(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>165</b>	If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.	
<b>Observations</b>		
<p>Discussions with the Retail &amp; Community Manager noted Horizon Power offers a meter test to customers who contact them regarding a high bill or a suspected faulty meter. Horizon Power will charge the customer for a meter test and where found to be defective the meter test fee is refunded to the customer in addition to any adjustments to their bill. Examination of the Standard Form Contract in section 5.2 determined that if Horizon Power finds that the meter is not measuring accurately, then Horizon Power will refund the meter testing fee to the customer.</p> <p>The Customer Service Policy states where a customer has been undercharged Horizon Power is entitled to recover this up to 12 months prior to the date Horizon Power advises the customer of the undercharge.</p> <p>Inspection of the Estimated Bill Template determined that on request Horizon Power will provide:</p> <ul style="list-style-type: none"> <li>a) the reason for estimation; and the customer may request a meter reading</li> <li>b) verification of a meter reading.</li> </ul> <p>Testing identified one instance recorded of a meter test detecting a defective meter during the audit period 1 April 2015 to 31 March 2017. Examination of this instance noted Horizon Power failed to reverse the meter test fee after conducting this meter test. Management has reinforced to the relevant staff the requirement to refund the meter test fee if the meter is found to be defective</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 - Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>No further action given resolution during the performance audit period 1 April 2015 to 31 March 2017.</p> <p>Management has reinforced to the relevant staff the requirement to refund the meter test fee if the meter is found to be defective.</p>		

<b>Compliance Manual Reference: 192, 193, 196</b>		<b>Compliance Rating</b> B / 2
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.6(1), 5.6(2) & 5.6(5)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>192</b>	A retailer must not charge a residential customer a late payment fee in the circumstances specified in subclause 5.6(1).	
<b>193</b>	If a retailer has charged a late payment fee in the circumstances set out in subclause 5.6(1) (c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill.	
<b>196</b>	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made.	
<b>Observations</b>		
<p>Discussions with the Retail Services Manager noted where a customer is assessed as being under financial hardship then a manual suppression is placed on the account at the time of assessment to prevent the customer being placed on the credit cycle. Customer accounts can be suppressed up to 28 days (an account can be suppressed multiple times depending on complaint resolution status) where a customer receives a concession; agrees to an instalment plan; or where there is an open complaint on the customer's account. It is noted that there are processes and procedures in place to manage the application of late payment fees.</p> <p>Sample based testing of five customers noted one instance during the audit period 1 April 2015 to 31 March 2017 where:</p> <ul style="list-style-type: none"> <li>Two late payment fees were applied to a customer assessed as being under financial hardship. A root-cause analysis identified that the manual suppression was not applied in a timely manner as per Horizon Power's work instructions during the Hardship Utility Grant Scheme (HUGS) assessment resulting in a non-compliance of the obligation.</li> <li>Horizon Power did not refund the late payment fees charged to a customer in a timely manner due to not being aware there was an open complaint on the customer account. Further investigation identified the initial suppression had expired.</li> <li>A customer assessed as incurring financial hardship did not have the late payment fee removed from the bill prior to the assessment.</li> </ul> <p>Management has since updated the work instructions to bring the manual suppression steps in the process to a more prominent position and to include a step stipulating the requirement to ensure that all overdue notice fees for these customers are waived and provided further training to the relevant staff on the correct processes.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 – Non-compliance – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
No further action given resolution during the audit period 1 April 2015 to 31 March 2017.		
Management has updated work instructions and retrained customer service staff on the requirements.		

<b>Compliance Manual Reference: 214</b>		<b>Compliance Rating</b> B / 3
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.4(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>214</b>	If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in subclause 6.4(3)(a) within five business days, and notify the residential customer of any amendments to the instalment plan at least five business days before they come into effect.	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer, it was noted that once a payment arrangement plan has been set up through the billing system, Velocity, and agreed with the customer the system will automatically trigger a Payment Arrangement Confirmation letter to be generated and issued to the customer. Therefore, Horizon Power complies with requirements to provide the customer with information on the payment plan in writing within five business days of the customer accepting the payment plan.</p> <p>An example Payment Arrangement Confirmation letter was obtained and examined. It was noted the letter template contained the terms of the payment arrangement plan and the importance of contacting Horizon Power for further assistance in instances where the customer cannot meet the financial obligations. However, it was noted that subclause 6.3(3)(a)(iii); the consequence of not adhering to the arrangement terms, was not included in the Payment Arrangement Confirmation letter template.</p> <p>Sample based testing was performed on five customers who entered into a payment arrangement plan with Horizon Power during the audit period. In all five instances tested, it was noted that evidence of the payment arrangement has been maintained within the billing system and the corresponding Payment Arrangement Confirmation letter was issued within five business days of the customer entering into the arrangement.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with improvements needed, however, Horizon Power has been non-compliant with a moderate impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	3 – Non-compliant – moderate impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>The letter template contained the terms of the payment arrangement plan and the importance of contacting Horizon Power for further assistance if they cannot meet the financial obligations has been updated to include the consequence of not adhering to the terms of the arrangement.</p>		

<b>Compliance Manual Reference: 218</b>		<b>Compliance Rating</b> B / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.8		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>218</b>	A retailer must advise a customer experiencing financial hardship of the information specified in subclause 6.8(1).	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer and examination of the Financial Hardship Policy and Financial Hardship Procedure, as well as observation of phone call recordings and comments within Velocity, it was noted that Horizon Power have a process in place to ensure that customers who are assessed as experiencing financial hardship are advised of:</p> <ul style="list-style-type: none"> <li>• The right to have a bill redirected at no charge.</li> <li>• Payment methods available.</li> <li>• Information on applicable tariffs.</li> <li>• Information on concessions (including HUGS) that may be available and how to access them.</li> <li>• The availability of financial counselling services and consumer representatives.</li> </ul> <p>The Senior Customer Service Officer and Retail Services Manager advised that only one type of meter is offered to small use customers. It was also noted that during the performance audit period, no financial hardship customers instructed Horizon Power to redirect a bill to a third person. Additionally, through examination of an example residential customer bill, reminder notice and disconnection warning, it was noted that all billing related documents include information on the payment methods available to customers.</p> <p>It was noted that the Senior Customer Service Officer advises financial hardship customers of the above information by telephone. As this Officer is located in Bentley the calls are not recorded, however, key details of the telephone calls are recorded in Velocity. Examples of comments retained within Velocity were examined and inconsistencies regarding the level of detail was noted.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Horizon Power has complied with the licence condition during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has implemented additional controls to ensure that the detail notes of phone call discussions between the Senior Customer Service Manager and financial hardship customers are documented within Velocity.</p>		

<b>Compliance Manual Reference: 234</b>		<b>Compliance Rating</b> B / 3
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.6		<b>Reporting Type</b> 1
<b>Obligation Description</b>		
<b>234</b>	Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in subclauses 7.6(1)-(2) when arranging for disconnection or disconnecting a customer's supply address.	
<b>Observations</b>		
<p>Discussions with the Retail Services Manager and examination of the Annual Compliance Report for the Financial Year 2014/15 noted several instances where Horizon Power reported contraventions to clauses 7.6(1)(2) during the audit period 1 April 2015 to 31 of March 2017:</p> <p>Subject to subclause (3), a retailer must not disconnect a customer's supply address – (a) if-</p> <ol style="list-style-type: none"> <li>A complaint has been made to the retailer directly related to the reason for the proposed disconnection; or</li> <li>The distributor is notified by the retailer, electricity ombudsman or an external dispute resolution body that there is a complaint, directly related to the reason for the proposed disconnection, that has been made to the distributor, electricity ombudsman or external dispute resolution body,</li> </ol> <p>On 12 April 2017, Horizon Power notified the Authority of the non-compliance with clause 7.6(1)(b) by wrongfully disconnecting a regional customer for non-payment on 29 June 2016 whilst the customer had a complaint with the Electricity Ombudsman. The reason for the non-compliance was due to a process failure; the functional mailbox was not actioned within the required timeframe. In June 2016, Horizon Power implemented a change to the Ombudsman complaints process to allow the Senior Customer Service Officer, who manages these type of complaints, to manually cancel any disconnection service.</p> <p>A retailer must not disconnect a customer's supply address - (b) during any time-</p> <ol style="list-style-type: none"> <li>After 3.00 pm Monday to Thursday;</li> <li>After 12.00 noon on a Friday; or</li> <li>On a Saturday, Sunday, public holiday or on the business day before a public holiday,</li> </ol> <p>Clause 7.6(2)(b) prescribes the timeframes where Horizon Power is not permitted to disconnect customers.</p> <p>On 29 March 2017, Horizon Power notified the authority of a non-compliance with clause 7.6(2)(b) of the Code as 59 prepayment meter customers were disconnected after 3.00pm on the evening of 21 March 2017 and early morning of 22 March 2017. The clause requires electricity distributors to not disconnect customers from supply between 3.00pm and 9.00am.</p> <p>On 5 April 2017, Horizon Power notified the Authority of another contravention of the Code, because one standard meter customer was disconnected outside the Code's allowed timeframe on 8 August 2016.</p> <p>On 11 August 2016, Horizon Power notified the Authority of two Type 1 contraventions occurring in Karratha on the 11th August 2016. The root cause of this contravention in August 2016 is attributed to the final phase of the Advanced Metering Infrastructure Project which was replacing plug in meters. De-energisation service orders had been raised on two of the plug in meters and the requests to complete the service orders were sent to the Project team (rather than the meter data team). The request was facilitated by the project team with a metering technician circumventing those aware of the code requirements. The errors occurred as a result of new and transitioning processes. Disconnections for this type of meter were stopped until the documented process had been updated and approved and training completed.</p> <p>On 9 November 2016, Horizon Power notified the Authority of another contravention of the Code, because one standard meter customer was disconnected outside the Code's allowed timeframe 3:36 pm (36 minutes outside the allowed 3.00pm timeframe) on 28 of September 2016. This occurred as previous date service orders did not apply the 3.00pm non de-energisation rule.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with moderate impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	3 – Non-compliant – moderate impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>Management has updated the complaints procedures to strengthen the complaints resolution and Ombudsman complaints process by implementing system controls and updates to the complaints management workflows.</p> <p>Management noted the five instances of Type 1 breaches have been the result of gaps identified in the systems and processes from the new de-energisation process associated with the AMI system.</p> <p>Horizon Power has implemented the following enhancements to minimise the potential of future Type 1 Breaches:</p> <p>Breach reported 12th April 2017- Process changes were implemented in June 2016 to ensure open de-energisation service orders are cancelled immediately on receipt of an Ombudsman complaint. Previously the request was sent to an inbox to cancel the de-energisation. Additional monitoring has been put in place to prevent future late notification.</p>		

Breach reported 29 March 2017 - A system bug was identified in a backup solution for the prepayment and AMI system. An older reliable version of this solution has been put back in place until the software is fixed and thoroughly tested. Additional system monitoring has been implemented to identify system outages to respond immediately. A new coding solution is being investigated to double check the appropriate action prior to de-energisation. A decision to implement additional coding changes will be based on the availability of resources.

Breach reported 5 April 2017 - The process changes identified and implemented as part of the breach reported on the 9th of November 2016 prevents the reoccurrence of after 3.00pm de-energisations. This breach occurred in August 2016, however inadequate monitoring lead to late reporting to the ERA. Additional monitoring including a daily monitoring report for Type 1 breaches has now been put in place to prevent future late notification.

Breach reported 9 November 2016 - Process changes were implemented to ensure that De-energisation for non-payment queues were only actioned between the hours of 9.00am-3.00pm Monday to Thursday. Additionally system coding changes have been made to apply the rule to prevent past dates service orders from being actioned after 3.00pm.

Breach reported 11 August 2016 - This breach was the result of an error during testing of the new AMI de-energisation process for plug in meters. The affected customers were re-energised immediately. Type 1 breach compliance requirements were reinforced with the project team.

New monitoring process have been implemented in April 2017 whereby reporting is now monitored weekly and a register has been established to ensure all breaches are reported appropriately and timely. The identification of Type 1 breaches and the new register has been re-enforced with all customer service staff.

<b>Compliance Manual Reference: 235</b>		<b>Compliance Rating</b> A / 2
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.7(1)		<b>Reporting Type</b> 1
<b>Obligation Description</b>		
<b>235</b>	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment, the retailer must comply with subclause 7.7(1)	
<b>Observations</b>		
Examination of the Annual Compliance Report for the Financial Year 2014/15 noted a failure to register equipment of 18 instances of life support customers was previously reported in the 2014/15 Performance Audit. The reported non-compliance relates to the obligation 7.7(1)(b) where Horizon Power must register the life support equipment required by the customer under the Code of Conduct for the Supply of Electricity to Small Use Customers 2014. This is no longer an obligation under the 2016 Code however, due to the difficulty in contacting life support customers and/or their representatives, the register of equipment was not completed until 6 July 2015 – therefore during the current audit period of 1 April 2015 to 31 March 2017.		
The Retail Services Manager noted registering life support customers is a manual process normally performed over the telephone with the customer. There are procedural documents that guide Horizon Power staff and Serviceworks customer service operators in registering a life support customer. Inspection of the life support register found Horizon Power continues to capture the life support customer's contact details and life support equipment of these customers despite no longer being a requirement of the 2016 Code.		
Based on enquiries and examination of documentation, it was concluded there are adequate controls in place, however, Horizon Power has been non-compliant with minor impact on customers and third parties during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
This obligation is no longer required under the 2016 Code. However, management has updated and continued to maintain the life support equipment register.		
No further action given resolution during the audit period 1 April 2015 to 31 March 2017.		



<b>Compliance Manual Reference: 240</b>		<b>Compliance Rating</b> C / 2
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.7(6)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>240</b>	A retailer must contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstances specified in subclause 7.7(6).	
<b>Observations</b>		
<p>Discussions with the Retail Services Manager determined that Horizon Power has processes and procedures in place to ascertain the requirements of its life support customers and request confirmation within the obligated timeframes.</p> <p>It has been determined that during the audit period 1 April 2015 to 31 March 2017, Horizon Power and Serviceworks did not retain and capture any system notes to evidence the confirmation and recertification of the full population of customers requiring life support equipment. Further investigation identified the Customer Service Representative responsible for monitoring life support customers failed to scan and retain the returned letters on the customer account and is therefore deemed non-compliant due to inadequate retention of re-certification letters.</p> <p>Discussions with Retail Services Manager noted Horizon Power will now undertake a review of its customers on the life support register and resend the appropriate certification letters.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	C - Inadequate controls – significant improvement required	
<b>Compliance Rating</b>	2 - Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has undertaken a review of its customers on the life support and validated the appropriate certification letters whilst ensuring full compliance with the stipulated timeframes specified in sub clause 7.7(6).</p> <p>Management has updated procedures and provided further training to team members on capturing the status and completion of the certification of its life support customers.</p> <p>Management have noted that no customers have been disadvantaged by the re-certification not being completed.</p>		

<b>Compliance Manual Reference: 246</b>		<b>Compliance Rating</b> C / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.2(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>246</b>	A retailer must not provide a pre-payment meter service at a residential customer's supply address without the verifiable consent of the customer or the customer's nominated representative.	
<b>Observations</b>		
<p>Discussions with the Pre-payment Metering Administrator noted that since 2015 advanced meters have been installed into pre-payment communities. Since the installation of the advanced meters in 2015, the Customers Services and Metering team located in the Bentley office now processes and manages pre-payment customers instead of the Serviceworks call centre. Any requests for new pre-payment meter customers are now taken directly by the Pre-payment Metering Administrator and the Metering Team located in the Bentley office. The contact number is provided adjacent to each advanced meter and any pre-payment customers who call Serviceworks are transferred to the Pre-payment Metering Administrator and the Metering Team.</p> <p>Discussions with the Pre-payment Metering Administrator noted that prior to the installation of the advanced meters Horizon Power staff would visit communities and have the customer complete and sign Account Establishment Forms before a pre-payment meter could be fitted to the supply address. Alternatively, customers could contact Serviceworks call centre to sign onto a pre-payment meter service and the telephone call would be recorded.</p> <p>It is noted that telephone calls taken by the Pre-payment Metering Administrator are not recorded. However, there are notes recorded into the customer account in Velocity. Sample based testing of five pre-payment meters installed during the performance audit period found that consent has been recorded, however, the detail of the notes recorded could be significantly improved.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place with significant improvement needed and Horizon Power has complied with the licence condition during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	C - Inadequate controls – significant improvement required	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has established minimum requirements for recording notes when establishing a pre-payment meter account over the telephone with particular emphasis on capturing the customer's verifiable consent to being entered into a pre-payment meter service.</p>		

<b>Compliance Manual Reference: 249, 250</b>		<b>Compliance Rating</b> B / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.3(1)(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>249</b>	If a residential customer requests information on the use of a pre-payment meter, a retailer must advise the information specified in subclause 9.3(1) at no charge, and in clear, simple and concise language.	
<b>250</b>	No later than 10 business days after the time a residential customer enters into a pre-payment meter contract at that customer's supply address, a retailer must give, or make available to, that customer the information specified in subclauses 9.3(1) and 9.3(2)(a)-(s) at no charge.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer determined that where a pre-payment customer requests information on energy consumption, Horizon Power will endeavour to provide a usage breakdown at no charge. Pre-payment meter information is mailed out to a customer at the time of establishment as a pre-payment meter customer over the phone.</p> <p>Inspection of the hardcopy pre-payment meter information pack mailed out to Horizon Power customers noted that in clear, simple and concise language it included (but, not limited to);</p> <ul style="list-style-type: none"> <li>• The applicable pre-payment tariffs, fees and charges;</li> <li>• Pre-payment Meter user information;</li> <li>• A copy of the contract; and</li> <li>• Contact number for faults, emergencies, complaints and other enquiries.</li> </ul> <p>The information provided in the pre-payment meter information pack complies with all mandatory information listed in Code of Conduct clauses 9.3(1)(2).</p> <p>However, it is noted that Horizon Power do not have controls in place to ensure that the pre-payment customer receives this information no later than 10 business days after the time entered into a pre-payment meter contract and there are no records of when Horizon Power mails the hardcopy pre-payment meter information pack out to a customer.</p> <p>Sample based testing of five pre-payment customers during the audit period, 1 April 2015 to 31 March 2017, noted that Horizon Power did not charge any pre-payment customer for requesting information on their energy consumption and there have been no recorded instances where a pre-payment customer has requested information on the average daily cost of consumption for the previous two years, or since the commencement of the pre-payment meter contract in quarterly segments during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Horizon Power has complied with the licence condition during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has implemented controls to record the date in which pre-payment meter customers have been issued with the required information in clause 9.3(1)(2).</p>		

<b>Compliance Manual Reference: 305, 306, 307</b>		<b>Compliance Rating</b> B / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 13.1, 13.2 & 13.3		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>305</b>	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	
<b>306</b>	The report specified in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	
<b>307</b>	The report specified in clause 13.1 must be published by the date specified by the ERA. In accordance with clause 13.3(2), a report is published if: <ul style="list-style-type: none"> <li>copies are available to the public, without cost, in places where the retailer or distributor transacts business with the public; and</li> <li>a copy is posted on the retailer or distributor's website.</li> </ul>	
<b>Observations</b>		
<p>Performance reporting handbooks for electricity (retail and distribution) are published by the Authority around April/May of each year and specifies the due date for the submission and publication of the compliance manual datasheets for retail and distribution. Examination of the handbooks noted that for:</p> <ul style="list-style-type: none"> <li>the year ending 30 June 2015, the compliance manual datasheets are to be lodged with the Authority and published by Horizon Power by 30 September 2015.</li> <li>the year ending 30 June 2016, the compliance manual datasheets are to be lodged with the Authority and published by Horizon Power by 30 September 2016.</li> </ul> <p>Examination of the email correspondence between Horizon Power and the Authority noted that Horizon Power submitted the compliance manual datasheets for retail and distribution within the dates prescribed by the Authority.</p> <p>Examination of Horizon Power's website and communications team email correspondence noted that:</p> <ul style="list-style-type: none"> <li>the 2015/16 compliance manual datasheets were published on 11 October 2016, within the dates prescribed by the Authority.</li> <li>the 2014/15 compliance manual datasheets were published in on Horizon Power's website. However, Horizon Power is unable to demonstrate the date of publication.</li> <li>the 2014/15 compliance manual datasheets for distribution were incorrectly displayed on Horizon Power's website showing as 2015/16 compliance manual datasheets during the time of the audit.</li> </ul> <p>The post implementation plan item 17/2015 raised in the previous performance audit has been resolved in the current audit period. Examination of the 2014 data sheets noted that references to shortened billing cycle has been removed.</p> <p>Through discussion with the Retail &amp; Community Manager and Communications Officer it was noted that it was due to technical issues with the website and an oversight of the Communications Officer which resulted in the 2014/15 compliance manual datasheets for distribution being incorrectly displayed as 2015/16. Horizon Power has subsequently amended its website to reflect the correct display names for the 2014/15 compliance manual datasheets.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Horizon Power has complied with the licence condition during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Horizon Power has subsequently amended its website to reflect the correct display names for the 2014/15 compliance manual datasheets.</p>		

<b>Compliance Manual Reference: 422</b>		<b>Compliance Rating</b> B / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.22(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>422</b>	A network operator must validate energy data in accordance with this Code applying, as a minimum, the prescribed rules and procedures set out in Appendix 2 and must, where necessary, substitute and estimate energy data under this Code applying, as a minimum, the prescribed rules and procedures set out in Appendix 3.	
<b>Observations</b>		
<p>Through discussions with Meter Data Coordinator and Meter Services Manager, examination of Horizon Power's Metrology Procedure, and walkthrough of the automatic controls used to validate, estimate and substitute reads through mData21, it was determined:</p> <ul style="list-style-type: none"> <li>• Horizon Power's metrology procedure aligns with the requirements of this obligation and the prescribed rules and procedure set out in Appendix 3 of the Code.</li> <li>• mData21 automatically validates, estimates, and substitute energy data in accordance with the rules and formulae outlined in the Code and applicable metrology procedure.</li> <li>• Examination of instances where substituted energy data reads were applied noted that Horizon Power had correctly and adequately investigated reads which failed validation prior to substituting reads.</li> </ul> <p>An analysis of meters and metering installations designated as having "Check" meters on Horizon Power's network during the performance audit period was performed identifying 52 meters designated as "Check" meters, rather than "Revenue" meters. Discussions with the Meter Services Manager noted that of the 52 "Check" meters, 46 were Type 6 metering installations, which are not covered by the Code requirement to validate energy data with check meter data. The remaining six metering installations were incorrectly designated as "Check" meters in the system, and Horizon Power is not validating energy data for the designated "Check" meters in accordance with the Code.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 – Non-compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
No further action required. Management has confirmed that the identified meters incorrectly designated as "Check" meters on installations were removed from the check meter system.		

<b>Compliance Manual Reference: 423</b>		<b>Compliance Rating</b> B / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.22(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>423</b>	The network operator must use check metering data, where available, to validate energy data provided that the check metering data has been appropriately adjusted for differences in metering installation accuracy in accordance with sub clause 3.13.	
<b>Observations</b>		
<p>Upon examination of the validation rules within mData21, it was identified that no validation rule exists within the system that automatically compares check meter data against energy data for the corresponding revenue meter of a metering point with full check metering installation. Horizon Power could not demonstrate that these checks were being performed manually within the organisation. It was further noted that this is inconsistent with section 10.2.1 of Horizon Power's Metrology Procedure.</p> <p>An analysis of meters and metering installations designated as having 'check meters' on Horizon Power's network during the performance audit period was performed identifying 52 meters designated as "Check" meters, rather than "Revenue" meters. Discussions with the Meter Services Manager noted that of the 52 "Check" meters, 46 were Type 6 metering installations, which are not covered by the Code requirement to validate energy data with check meter data. The remaining six metering installations were incorrectly designated as "Check" meters in the system, and Horizon Power is not validating energy data for the designated "Check" meters in accordance with the Code.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 – Non-compliance – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Refer to recommendation in obligation 422.		

<b>Compliance Manual Reference: 447</b>		<b>Compliance Rating</b> B / 2
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 6.1(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>447</b>	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.	
<b>Observations</b>		
<p>The <i>Code</i> requires Horizon Power to comply with a number of key documents, which address the management and maintenance of its networks and meters, including Communication Rules, Metrology Procedure, Mandatory Link Criteria and any relevant Service Level Agreement.</p> <p>Through discussions with Horizon Power management, examination of relevant prescribed documents, and review of Horizon Power's metering database system mData21, it was determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power is in the process of drafting communication rules and a model service level agreement. As these have not yet been finalised, they were not considered assessable for this performance audit.</li> <li>• The Manager Customer Services confirmed that as Horizon Power was not supplying electricity to other users or to persons other than residential and business customers, it did not have any service level agreements, communication rules or registration process in place during the audit period.</li> <li>• Horizon Power has submitted a revised 2017 Metrology Procedure and revised 2017 Mandatory Link Criteria to the Authority for review and approval on 12 April 2017, which falls outside of the performance audit period.</li> </ul> <p>As Horizon Power is non-compliant with obligation 319 and 423, it has been assessed that Horizon Power is not validating energy data in accordance with the Code, and is therefore non-compliant with this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with Horizon Power's metrology procedure with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 – Non-compliance – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
Refer to recommendation in obligation 422.		

<b>Compliance Manual Reference: 472, 473</b>		<b>Compliance Rating</b> B / 2
<b>Licence Clause:</b> Distribution Licence, condition 5.1 Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 18, 19		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>472</b>	A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe for a failure to give required notice of planned interruption.	
<b>473</b>	A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe if a supply interruption exceeds 12 hours.	
<b>Observations</b>		
<p>Examination of the compliance report for Financial Year 2015/16 revealed Horizon Power reported two instances of non-compliance where a required reliability payment was not paid within the obligated 30 calendar days of receiving the claim. The reasons for the non-compliance were as follows:</p> <ul style="list-style-type: none"> <li>• The Regional Office advised the non-compliance occurred due to inadequate handover between responsible staff members. Horizon Power has since reinforced the importance of prompt notification for standard services exceptions and obligated payment timeframes to the responsible staff members; and</li> <li>• The non-compliance was attributed to a claim not being appropriately directed on the day of receipt. Horizon Power has revised and enhanced the process to include a weekly check of the team's functional inbox to ensure all received claims have been actioned.</li> </ul> <p>Examination of the Horizon Power Extended Outage Payment Scheme (EOPS) determined that it outlines the eligibility criteria and steps to process customer applications for the reliability payments. The Webview System is used by the Customer Service Officer to validate the EOPS claim against system recorded outages/faults at that address.</p> <p>Discussion with the Customer Service Officer noted that when dealing with physical forms there can be manual handling delays and the payment process can be delayed by the manual confirmation process that takes place if there is uncertainty around the details of the outage. Applications for the reliability payments is maintained on a spreadsheet register and updated by the Customer Service Officer to capture key dates to enable monitoring of payment timeframes.</p> <p>Sample based testing of five customers during the performance audit period, 1 April 2015 to 31 March 2017, was conducted and noted that for one customer, Horizon Power did not make the required reliability payment for failure to give required notice of planned interruption within the obligated 30 calendar days of receiving the claim.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	B – Generally adequate controls – improvement needed	
<b>Compliance Rating</b>	2 - Non-Compliant – minor impact on customers or third parties	
<b>Corrective Action/Opportunity for Improvement</b>		
<p>No further action given resolution during the audit period 1 April 2015 to 31 March 2017.</p> <p>Management has reaffirmed with the relevant staff of the requirement to meet the required timeframes and give sufficient priority to following due process.</p> <p>The Planned Outage Notification process was improved in April 2016 after manual Spur Book to access customer details was replaced with customer details for planned notifications now obtained from Power On Fusion (HV Diagram).</p>		



### 5.3. Observation detail on obligations (no recommendations)

<b>Compliance Manual Reference: 72, 73</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry (Obligation to Connect) Regulation, regulation 3		
<b>Licence Obligation:</b> Electricity Industry (Obligation to Connect) Regulation, regulation 4 & 5(5)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>72</b>	A distributor must attach, or connect, premises to a distribution system if a retailer or customer takes prescribed action and the circumstances exist in regulation 5(1) of the Electricity Industry (Obligation to Connect) Regulations.	
<b>73</b>	A distributor that is obliged to attach, or connect, premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must extend the distribution system to a suitable connection point.	
<b>Observations</b>		
<p>Discussions and walkthrough with the Retail Services Manager and Strategic Asset Management Consultant, supplemented with an examination of Horizon Power's Supply Extension Policy determined that Horizon Power have frameworks, processes and procedures in place to connect a premise to Horizon Power's distribution system both within and greater than 100m from the distribution point.</p> <p>Horizon Power is both the retailer and distributor. Where a connection request has been received from a customer, Horizon Power will connect a premise where the premise is located within 100m from the distribution point.</p> <p>Examination of the Western Australia Distribution and Connections Manual (WADCM) and Horizon Power's Supply Extension Policy noted the process to connect a customer greater than 100m from the distribution point is through the customer funded works program and capital works management process.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 74</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry (Obligation to Connect) Regulation, regulation 3		
<b>Licence Obligation:</b> Electricity Industry (Obligation to Connect) Regulation, regulation 5(6)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>74</b>	The capacity and standard of an extension must be adequate for the supply required and in accordance with accepted good industry practice as would be applied by a prudent distributor.	
<b>Observations</b>		
<p>Through discussion with the Strategic Asset Management Consultant, supplemented with an examination of the Western Australia Distribution Connections Manual (WADCM), it was noted that Horizon Power and Western Power recognised a consolidated manual was necessary to provide clear connection requirements in a format and language familiar to the electrical consulting and contracting industry. Development of the consolidated manual was supported by Industry Associations, Energy Safety, Western Power and Synergy.</p> <p>The manual (dated December 2014) provides standards and guidance for connections in accordance with accepted good practices, including:</p> <ul style="list-style-type: none"> <li>• Western Australian Electrical Requirements (WAER)</li> <li>• Electricity Corporations Act 2005</li> <li>• Electricity Act 1945</li> <li>• Electricity (Licensing) Regulations 1991</li> <li>• Electricity (Supply Standards and System Safety) Regulations 2001</li> <li>• Electricity Industry Act 2004</li> <li>• Small Use Customer Code</li> <li>• Network Operator’s Customer Service Charter</li> <li>• Electricity Industry (Obligation to Connect) Regulations 2005</li> <li>• Electricity Industry Metering Code 2005</li> <li>• Occupational Safety and Health Act 1984</li> <li>• Occupational Safety and Health Regulations 1996</li> <li>• National Standard for Construction Work</li> <li>• Mines Safety and Inspections Act 1994</li> <li>• Mines Safety and Inspection Regulations 1995</li> <li>• Energy Operators (Power’s) Act 1979</li> <li>• AS/NZS 3000: The Wiring Rules</li> <li>• AS/NZS 7000: Overhead Line Design</li> <li>• AS/NZS 61000: Electromagnetic Compatibility.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 76, 77</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry (Obligation to Connect) Regulation, regulation 3		
<b>Licence Obligation:</b> Electricity Industry (Obligation to Connect) Regulation, regulation 7(1), 8		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>76</b>	A distributor must energise premises in certain prescribed circumstances.	
<b>77</b>	A distributor that is obliged to energise premises must do so within a defined timetable.	
<b>Observations</b>		
<p>Discussions with the Retail Services Manager and examination of key documentation determined that Horizon Power and Serviceworks have frameworks, processes and procedures in place to connect a new premise within 20 business days. It was noted that Horizon Power endeavours to connect a premise within the 20 business day timeframe regardless of whether the premises are within a metropolitan or non-metropolitan area.</p> <p>Horizon Power is both the retailer and distributor and where a request has been made by a customer, Horizon Power will connect a premise if the premises is attached to the distribution network.</p> <p>Walkthrough of the process determined that Horizon Power has the following process to connect a new premise where it has been deemed safe to do so;</p> <ul style="list-style-type: none"> <li>• Account Establishment; new accounts are established within three business days of a customer's request;</li> <li>• Preliminary &amp; Completion Notices; Completion notices are to be validated three business days of receipt from customer;</li> <li>• New Connections Service Order; New Connection Service order is to be dispatched to the crew within one business day as a valid completion notice is accepted and entered into mData21;</li> <li>• Late New Connections; if connection is expected to exceed 20 business days, customers must be sent a notification explaining why;</li> <li>• Field Completion; Service order completed by the required by date; and</li> <li>• New connection service order completion in mData21 within five business days of field completion.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 78</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, Clause 53		
<b>Licence Obligation:</b> Electricity Industry Act, section 51		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>78</b>	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with that licensee approved standard form contract on the ERA's website.	
<b>Observations</b>		
<p>Discussion with the Retail Services Manager and examination of Horizon Power's Standard Form Contract noted that Horizon Power only uses the standard form contract published on the Authority's website. Horizon Power customers are directed to the website to access and download the Standard Form Contract.</p> <p>The most recent electricity standard form contract was reviewed in 2016 and took effect on 8 February 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 100</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 28.1		
<b>Licence Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005, regulation 38		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>100</b>	If a licensee becomes aware of a customer taking a supply of electricity that is deemed to be supplied under the licensee's standard form contract, the licensee must notify the customer within 5 days after becoming aware of it and provide specified information.	
<b>Observations</b>		
<p>Discussion with the Retail Services Manager noted that if a vacant supply address is connected and consumption is detected at the supply address then Horizon Power makes contact with the occupiers. Upon establishment of the occupier as an account holder, Horizon Power sends a letter to the supply address and directs the occupier to establish a new account under the terms of the standard form contract to consume electricity. If Horizon Power detected usage where there is no customer attached to the property then the supply address is eventually disconnected for non-application.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 101</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 14.1		
<b>Licence Obligation:</b> Electricity Industry Act, section 13(1)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>101</b>	A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months.	
<b>Observations</b>		
<p>Through discussion with the Risk &amp; Audit Specialist, it was noted that the Risk &amp; Audit team maintains an action item within the risk management system, CURA, which prompts upcoming key activities and due dates. When the Authority publishes notices along with the performance report for the next audit due date, CURA is updated to ensure the tendering process for an independent auditor commences with sufficient notice.</p> <p>The previous EIRL2 Performance Audit was conducted by Deloitte in 2015 for the period 1 April 2013 to 31 March 2015.</p> <p>The Authority has approved the appointment of KPMG, on 8 March 2017, to conduct the performance audit for the period 1 April 2015 to 31 March 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 102, 103</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 20.1, 20.2 & 20.3		
<b>Licence Obligation:</b> Electricity Industry Act, section 14(1)(a)-(b)		<b>Reporting Type</b> NR (102), 2 (103)
<b>Obligation Description</b>		
<b>102</b>	A licensee must provide for an asset management system.	
<b>103</b>	A licensee must notify details of the asset management system and any substantial changes to it to the ERA.	
<b>Observations</b>		
<p>Through discussions with the Strategic Asset Management Consultant, supplemented with an examination of the asset management documentation, it was noted that during the audit period 1 April 2015 to 31 March 2017 Horizon Power provided for an asset management system.</p> <p>The Strategic Asset Management Consultant confirmed that during the audit period 1 April 2015 to 31 March 2017, Horizon Power did not make any substantial changes to the asset management system. The last substantial change to the asset management system was reported to the Authority in November 2013 which is outside the period subject to this performance audit.</p> <p>The post implementation plan item 21/2013 raised in the 2015 performance audit has been resolved in the current audit period. Horizon Power notified substantial change to the asset management system in November 2013 and the Asset Management Strategy and Systems document has been updated with a protocol for determining what constitutes a substantial change. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 104</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 20.4		
<b>Licence Obligation:</b> Electricity Industry Act, section 14(1)(c)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>104</b>	A licensee must provide the ERA with a report by an independent expert about the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	
<b>Observations</b>		
<p>Engineering Consulting Services Pty Ltd (Qualeng) was appointed with the Authority's approval to undertake the asset management system review ("Review") for the period 1 April 2011 to 30 June 2014. The Review report was last submitted to the Authority in November 2014 for the period 1 July 2012 to 30 June 2014. Examination of the outcome letter issued by the Authority noted the next Review will cover the period from 1 July 2014 to 30 June 2017. Deloitte has been appointed, with the Authority's approval, to undertake the asset management system however review period end is outside of the period subject to the performance audit.</p> <p>Therefore, it was concluded that an assessment of Horizon Power's compliance with this obligation cannot be made for the current audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 105</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 4.1		
<b>Licence Obligation:</b> Electricity Industry Act, section 17(1) Economic Regulation Authority (Licensing Funding) Regulations 2014		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>105</b>	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.	
<b>Observations</b>		
<p>The Economic Regulation Authority (Licensing Funding) Regulations clauses 6, 7 and 8 establishes the requirement for the payment of quarterly standing charges which are applied for a period of three months ending 30 September, 31 December, 31 March or 30 June.</p> <p>The Tech Regulation &amp; Compliance Officer noted the annual electricity licence fees are paid within one month of the 30 March anniversary date. All invoices issued by the Authority are received by the Tech Regulation &amp; Compliance Officer and General Manager Corporate Service and Company Secretary, and processed through Horizon Power's accounts payable process.</p> <p>Examination of Horizon Power's financial records of licence fee payments and respective invoices noted that annual licence fees were paid within one month of the 30 March anniversary date and quarterly standing charges were paid within 30 days on which notice was issued in accordance with the Economic Regulation Authority (Licensing Funding) Regulation clauses 6, 7 and 8.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 106</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Act, section 31(3)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>106</b>	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.	
<b>Observations</b>		
<p>Through discussion with the Strategic Asset Management Consultant, it was noted that Horizon Power has established a Crisis and Emergency Management Plan providing guidance on responding to, and recovering from, an incident, emergency or crisis. Examination of the Crisis and Emergency Management Plan, specifically Appendix 10 outlines the specific actions to be undertaken during an electricity supply disruption. A comprehensive list of internal and external stakeholders, including key contact details of specialists are notified based on the severity of the event. The Crisis and Emergency Management Plan was last enforced during the Fitzroy Crossing fire at the town's power station in December 2016, resulting in a disruption of the supply of electricity.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 107</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Act, section 41(6)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>107</b>	A licensee must pay the costs of taking an interest in land or an easement over land.	
<b>Observations</b>		
<p>Through discussion with the Manager Capacity Management Support, it was noted that Horizon Power had two instances of interest in land or an easement over land during the audit period, 1 April 2015 to 31 March 2017. Horizon Power has developed policies and procedures intended to provide guidance for the protection of Horizon Power assets, the level of protection and the appropriate steps required to ensure the method of protection is enforceable.</p> <p>The costs to obtain an easement may include the following:</p> <ul style="list-style-type: none"> <li>• Survey including preparation of survey plans;</li> <li>• Preparation of Deed of Easement;</li> <li>• Expert advice;</li> <li>• Legal advice;</li> <li>• Lodgement costs; and</li> <li>• Compensation (Native Title and/or landowner).</li> </ul> <p>Testing of the easement or purchasing of land transactions noted that payments made in relation to the easements or purchasing of land are borne by the project team or through budget expenditure of the regions within Horizon Power.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 108, 109</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 24.1 & 25.4		
<b>Licence Obligation:</b> Electricity Industry Act, section 54(1)(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>108</b>	A retail or integrated regional licensee must not supply electricity to a small use customer other than under a standard form contract or a non- standard form contract that complies with the Act.	
<b>109</b>	A licensee must comply with any direction by the ERA to amend the standard form contract and do so within the period specified.	
<b>Observations</b>		
Discussions with the Retail Services Manager noted that all small use customers are on standard form contracts.		
Examination of the Horizon Power website noted that the Standard Form Contract is referenced within the Connection Application form as follows:		
<i>"When connected, your supply will be bound by the Standard Form Contract, which can be found at <a href="http://www.era.wa.gov.au">www.era.wa.gov.au</a>".</i>		
The connection contract specifies that the electricity will be supplied to the customer under the terms of the Standard Form Contract found on the Authorities website.		
Discussions with the customer services manager noted that Horizon Power was not directed to amend the standard form contract by the Authority during the audit period 1 April 2015 to 31 March 2017. The latest standard form contract was published on the Authority's website on 8 February 2017.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 111</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 21.1		
<b>Licence Obligation:</b> Electricity Industry Act, section 101		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>111</b>	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.	
<b>Observations</b>		
Horizon Power has been granted an Electricity Integrated Regional Licence. The Licence precludes Horizon Power from supplying electricity to a small use customer unless it is a member of the approved electricity ombudsman scheme to which it is bound to comply with requirements in relation to customer complaints handling'. Through discussion with the Retail & Community Manager, supplemented with a review of the Energy and Water Ombudsman's website and annual reports it was noted that Horizon Power is a member of the Energy and Water Ombudsman Scheme.		
Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 114, 115, 129</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 11 & 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.1 Integrated Regional Licence, condition 23.1 & 23.2		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>114</b>	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	
<b>115</b>	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the ERA within the prescribed timeframe.	
<b>129</b>	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted that Horizon Power does not participate in marketing activities in order to compete with other retailers. However, the Code of Conduct does consider relevant Horizon Power employees that were a part of the Power Ahead Research Pilot to be acting as "electricity marketing agents". The Retail Services Manager advised that no other parties are currently engaged by Horizon Power as "electricity marketing agents". Based on examination and testing of processes related to marketing activities performed by the Power Ahead team, no instances of non-compliance with Part 2 of the Code of Conduct were noted as the Power Ahead team were clearly depicted and represented as Horizon Power employees. Additionally, it is noted that the 2016 Code of Conduct excludes the Department of Housing from the definition of "marketing agent".</p> <p>It was noted that the 2015 Performance Audit raised Action Plan 3/2015, in relation to document retention and maintenance of appropriate archiving processes performed by Serviceworks. Through discussions with the Retail Services Manager, examination of documentation, as well as examination of communications between the Retail Services Manager and Serviceworks it was noted that the Action Plan has been fully implemented. In addition to reinforcing the importance of appropriately retaining and archiving documentation to Serviceworks staff, a Scanning White Mail Work Instructions was created to assist Serviceworks staff in understanding the requirements of archiving white mail. The Retail &amp; Community Manager advised that during the audit period, Serviceworks employees did not contact any customers for the purpose of obtaining new customers, or in dealing with existing customers in relation to contracts for the supply of electricity. Therefore, during this audit period, Serviceworks staff are not considered as "electricity marketing agents", as per the Code of Conduct.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 119</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 11		
<b>Licence Obligation:</b> Integrated Regional Licence, condition 12.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>119</b>	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Board Standards or equivalent International Accounting Standards.	
<b>Observations</b>		
<p>The Financial Accounting Manager confirmed that Horizon Power complies with the Australian Accounting Board Standards. The published financial statements covering the audit period were sighted for the financial years ending 30 June 2015 and 2016 and it was noted that RSM Bird Cameron performed the independent audit of the financial statements of Horizon Power on behalf of the Office of the Auditor General (OAG). The financial statement audit opinions were unqualified.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 121</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 11		
<b>Licence Obligation:</b> Integrated Regional Licence, condition 14.2		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>121</b>	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.	
<b>Observations</b>		
<p>On 1 April 2015, the Authority approved Horizon Power's independent auditor, Deloitte, to undertake the 2015 EIRL2 Performance Audit. The audit plan was prepared in accordance with the Authority's standard audit guidelines which was approved by the Authority on 1 May 2015.</p> <p>In the 2015 Performance Audit Report, Deloitte confirmed that the performance audit as a reasonable assurance engagement was undertaken in accordance with the requirements under the April 2014 issue of the <i>Audit and Review Guidelines: Electricity and Gas Licences</i>.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 122</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 11		
<b>Licence Obligation:</b> Integrated Regional Licence, condition 20.5		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>122</b>	A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the ERA's standard audit guidelines for an asset management system review.	
<b>Observations</b>		
<p>The Asset Management System Review ("Review") report was last submitted to the Authority in November 2014 for the period 1 July 2012 to 30 June 2014. Examination of the outcome letter issued by the Authority noted the next Review will cover the period from 1 July 2014 to 30 June 2017 which is outside the period subject to the performance audit.</p> <p>Therefore, it was concluded that an assessment of Horizon Power's compliance with this obligation cannot be made for the current audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 123</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 11		
<b>Licence Obligation:</b> Integrated Regional Licence, condition 15.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>123</b>	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations.	
<b>Observations</b>		
<p>The Tech Regulation &amp; Compliance Officer confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power was not under external administration and there were no significant changes that affected Horizon Power's ability to meet its obligations. During the event that Horizon Power is under external administration, the General Manager Corporate Services and Company Secretary will notify the Authority.</p> <p>Based on enquiries, it was concluded that there are adequate controls however due to no events in the audit period, compliance was not rated.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 124, 125, 126</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 11		
<b>Licence Obligation:</b> Integrated Regional Licence, condition 16.1, 17.1, 17.2 & 18.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>124</b>	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.	
<b>125</b>	A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.	
<b>126</b>	All notices must be in writing, unless otherwise specified.	
<b>Observations</b>		
<p>The Customer Services team has implemented a compliance register which records correspondences, breaches and notices to the Authority. The Tech Regulation &amp; Compliance Officer noted that any directives or request for information from the Authority are addressed by the General Manager Corporate Services &amp; Company Secretary, as the key liaison with the Authority.</p> <p>The Customer Services Process Manager and Retail &amp; Community Manager confirmed that, during the period 1 April 2015 to 31 March 2017, there were no formal additional request from the Authority for information or directive to publish information such as reporting or notification.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place, however, due to no events in the audit period, compliance was not rated.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 127, 128</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 29.1 & 29.3		
<b>Licence Obligation:</b> Electricity Industry Act, section 11		<b>Reporting Type</b> 1
<b>Obligation Description</b>		
<b>127</b>	A distributor must create and maintain a Priority Restoration Register.	
<b>128</b>	The Priority Restoration Register must comply with any criteria determined by the Minister.	
<b>Observations</b>		
<p>Through discussions with the Strategic Asset Management Consultant, supplemented with an examination of Horizon Power’s Crisis and Emergency management documents, it was noted Horizon Power has the following plans and records, which make up Horizon Power’s Priority Restoration Register:</p> <ul style="list-style-type: none"> <li>• Crisis and Emergency Management Plan – providing guidance and protocol on responding to, and recovering from, an incident, emergency or crisis. The Plan applies to all Horizon Power network and office locations.</li> <li>• Critical Customer Policy – provides a framework for the classification and application of critical customers and the management of restoration of electricity supply during an emergency or outage.</li> <li>• Emergency Procedure – Severe Storms, Cyclones, Flood and Bushfire Response – outlines the process and measures to be undertaken, including roles and responsibilities, during the event of severe storms, cyclones, flood and/or bushfire.</li> <li>• Regional Contingency Plan for each region – examination of the Carnarvon regional contingency plan noted that it was a tailored emergency and crisis management plan specific to the regional depot. The plan also includes critical customers within the region and customers on life support for priority restoration.</li> <li>• Feeder Priority Lists – contained within the regional contingency plans, containing restoration priority of the feeders within the region. Through discussions with Management it was noted that all regional contingency plans include critical customers and customers on life support for the priority restoration.</li> </ul> <p>Emergency response processes, including priority restoration procedures, are governed by the Critical Customer Policy and take into consideration the current life support customer listing when determining the priority of feeder restoration.</p> <p>Examination and walkthrough of the crisis and emergency response documentation in relation to the November 2015 bushfires in Esperance noted that actions undertaken were aligned to the regional contingency plan, including the business case for the priority in restoration of feeders.</p> <p>The Strategic Asset Management Consultant confirmed that the Minister has not detailed any specific criteria regarding the Priority Restoration Register for the period subject to audit.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 130</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.2(1) Integrated Regional Licence, condition 23.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>130</b>	A retailer or electricity marketing agent must ensure that standard form contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified, in clause 2.2(1).	
<b>Observations</b>		
<p>Through discussions with Retail Services Manager, it was revealed that during the audit period only standard form contracts were offered to customers. It was noted the date the customer signs up is automatically logged within Velocity and, additionally, any consent obtained over the telephone is maintained given all Customer Service Representative (CSR) calls are recorded.</p> <p>All customers are advised that a copy of the standard form contract is publically available on Horizon Power's website. CSRs are provided with a suite of scripts. CSR scripting dictates that during a customer call when setting up an account, CSRs must state: <i>"Your account has been set up under the standard form contract, this is available on our website, (or we can send it to you). I will just need to make sure you are aware of Horizon Power's fees and timeframes and then confirm a few details regarding your account"</i>. The Retail Services Manager also advised that Horizon Power will provide a copy of standard form contract to the customer by email or mail at no charge when requested.</p> <p>Once a customer has consented to enter into an agreement with Horizon Power and the CSR has logged the new connection within Velocity, the system will automatically trigger a Welcome Letter to be issued to the customer. This letter includes the fact that the customer has entered into a standard form contract and that a copy of this standard form contract can be obtained on the Horizon Power website.</p> <p>Any customer who submits a Connection Application Form by email, fax or online will receive a copy of the standard form contract attached to the formal quote.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 131</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.2(2) Integrated Regional Licence, condition 23.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>131</b>	Subject to subclause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in subclause 2.2(2) no later than on, or with, the customer's first bill.	
<b>Observations</b>		
<p>Once a customer has consented to an agreement with Horizon Power and the CSR has logged the new connection within Velocity, the system will automatically trigger a Welcome Letter to be sent to the customer which will therefore be provided prior to the customer's first bill. This letter highlights the three key documents as follows and states all can be obtained on the Horizon Power website:</p> <ul style="list-style-type: none"> <li>• Customer Charter;</li> <li>• Code of Conduct for the Supply of Electricity to Small use Customers; and</li> <li>• Standard Form Contract.</li> </ul> <p>A copy of the Customer Charter was obtained and inspected. It was noted the following information is included within the Customer Charter:</p> <ul style="list-style-type: none"> <li>• How the customer can obtain further information on tariffs;</li> <li>• The scope of the Code;</li> <li>• Horizon Power's obligation to comply with the Code;</li> <li>• How Horizon Power will assist a customer if the customer is experiencing financial hardship or payment difficulties;</li> <li>• Information on billing concessions that may be available to residential customers;</li> <li>• Horizon Power's 24-hour faults telephone number;</li> <li>• Interpreter and TTY services that are available to residential customers;</li> <li>• Details on how a customer can make a complaint; and</li> <li>• General information of electrical safety.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 136</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.4(1) Integrated Regional Licence, condition 23.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>136</b>	A retailer or electricity marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.	
<b>Observations</b>		
<p>Through discussions and examination of key documentation including the Horizon Power website, it was identified that concession details are provided to customers by the following methods:</p> <ul style="list-style-type: none"> <li>• CSRs will ensure the inclusion of any concessions is made clear to residential customers when setting up an account over the telephone. A copy of the CSR scripting was obtained and it was noted the scripts include specific wording that must be read to a customer prior to adding a concession to an account and the customer is required to verbally agree to this.</li> <li>• Customers are referred to the Customer Charter which includes general concession information and informs customers on where further information on concessions can be obtained and how these are applied.</li> <li>• Monthly 'On the Horizon' newsletters are provided to all customers with the bill. At minimum once a year the newsletter will include information regarding concession details.</li> <li>• The Horizon Power website provides viewers with information on concessions, rebates and subsidies.</li> </ul> <p>Concession information is disclosed on the Horizon Power website and eligibility for a concession is assessed with the customer prior to establishing an account.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 137</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.4(2) Integrated Regional Licence, condition 23.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>137</b>	A retailer or electricity marketing agent must provide contact details, including a telephone number, to a customer and ensure that the customer is able to contact the retailer or electricity marketing agent during normal business hours for the purposes of enquiries, verifications and complaints.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager and examination of key documentation, it was identified that the Horizon Power contact details (including telephone number) for the purposes of enquiries, verifications and complaints can be found on:</p> <ul style="list-style-type: none"> <li>• Customer Charter;</li> <li>• Horizon Power website;</li> <li>• Financial Hardship Policy;</li> <li>• Customer bills;</li> <li>• Reminder notices; and</li> <li>• Disconnection warnings.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 138</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.5(1) Integrated Regional Licence, condition 23.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>138</b>	A retailer or electricity marketing agent who makes contact with a customer for the purposes of marketing must, on request by the customer— (a) provide the customer with the complaints telephone number of the retailer on whose behalf the contact is being made; (b) provide the customer with the telephone number of the electricity ombudsman; and (c) for contact by an electricity marketing agent, provide the customer with the electricity marketing agent's marketing identification number.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted that Horizon Power does not participate in marketing activities in order to compete with other retailers. However, the Code of Conduct does consider relevant Horizon Power employees that were a part of the Power Ahead Research Pilot to be acting as "electricity marketing agents". During the Power Ahead Research Pilot no canvassing or door to door marketing was performed by Horizon Power employees. All face to face engagement with customers was conducted in community information sessions where customers were invited to attend. The Retail Services Manager advised that no other parties are currently engaged by Horizon Power as "electricity marketing agents".</p> <p>Through discussions with the Power Ahead Implementation Manager, it was noted that when requested by the customer, Horizon Power will provide the complaints telephone number, the electricity ombudsman telephone number and the marketing identification number. The Power Ahead Implementation Manager advised that when a customer requested information in person, a copy of the Power Ahead App Brochure which includes the Horizon Power call centre contact details was provided.</p> <p>The 2015 Performance Audit raised Action Plan 22/2015. The revised Account Establishment Form was obtain and examined as well as communications with the Housing Authority and it was noted that this action plan has been fully implemented by Horizon Power. The Code has since been amended to specifically exclude Housing Authority representatives.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 139</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.5(2) Integrated Regional Licence, condition 23.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>139</b>	<p>A retailer or electricity marketing agent who meets with a customer face to face must for the purposes of marketing:</p> <ul style="list-style-type: none"> <li>• wear a clearly visible and legible identity card showing the information specified in subclause 2.5(2)(a); and</li> <li>• provide the written information specified in subclause 2.5(2) (b) as soon as practicable following a request by the customer.</li> </ul>	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted that Horizon Power does not participate in marketing activities in order to compete with other retailers. However, the Code of Conduct does consider relevant Horizon Power employees that were a part of the Power Ahead Research Pilot to be acting as “electricity marketing agents”. During the Power Ahead Research Pilot no canvassing or door to door marketing was performed by Horizon Power employees. All face to face engagement with customers was conducted in community information sessions where customers were invited to attend. The Retail Services Manager advised that no other parties are currently engaged by Horizon Power as “electricity marketing agents”.</p> <p>The Retail Services Manager and Power Ahead Implementation Manager advised that all Horizon Power staff making site visits carry identification cards. An example card was obtained and it was noted the card clearly includes the following:</p> <ul style="list-style-type: none"> <li>• Employee’s first and last name;</li> <li>• His or her photograph;</li> <li>• His or her identification number; and</li> <li>• The name of the retailer the individual represents on behalf of (in this case; Horizon Power).</li> </ul> <p>Discussions also revealed that on request by a customer and as soon as practicable following the request, Horizon Power will provide in writing the information required by the Code for this obligation.</p> <p>The 2015 Performance Audit raised Action Plan 22/2015. The revised Account Establishment Form was obtain and examined as well as communications with the Housing Authority and it was noted that this action plan was fully implemented by Horizon Power. The Code has since been amended to specifically exclude Housing Authority representatives.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 141</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.9 Integrated Regional Licence, condition 23.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>141</b>	An electricity marketing agent must keep a record of complaints from customers or persons who are contacted by, or on behalf of, the electricity marketing agent for the purposes of marketing; and provide the electricity ombudsman with all of the information that it has relating to a complaint, within 28 days of receiving a request for that information.	
<b>Observations</b>		
<p>Through discussion with the Retail Services Manager, it was noted that all complaints are logged and stored within in Velocity. The Customer Service team maintains a complaints register, which is an extraction of all complaints from Velocity. All complaints must be allocated a category when logged. A copy of the 2015-2016 Complaints Register and the current 2016-2017 Complaints Register was obtained and it was noted that there were two complaints during the audit period categorised as marketing. Upon further inspection and in conjunction with enquiries with the Retail Services Manager it was noted that neither of these complaints were from a customer who was contacted by, or on behalf of, the electricity marketing agent for the purposes of marketing (one complaint related to Tariffs and the other related to charitable organisations supported by Horizon Power).</p> <p>The Retail Services Manager advised no requests to receive information relating to a marketing complaint had been received from the electricity ombudsman during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls however due to no events in the audit period, compliance was not rated.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 142</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.10 Integrated Regional Licence, condition 23.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>142</b>	An electricity marketing agent must keep a record, or other information, required under the Code for at least two years after the last time that a customer or person was contacted by, or on behalf of, the electricity marketing agent, or after receipt of the last contact from, or on behalf of, the electricity marketing agent, whichever is later.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted that all information relating to marketing is logged and stored within Velocity. All information in Velocity is backed up and indefinitely maintained on the system, with protocol being to never destroy any information/data stored in Velocity. Any documents received by physical mail are also retained and archived for a minimum of seven years.</p> <p>Based on enquiries, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 154</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.4		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>154</b>	A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.	
<b>Observations</b>		
Discussions with the Retail & Community Manager noted that Horizon Power has billing processes and systems to capture both a customer's supply address and an alternate postal address if provided and as nominated by the customer. All bills are automatically issued electronically to the customer's nominated postal address which may be different to the customer's supply address.		
Sample based testing of five customers during the audit period 1 April 2015 to 31 March 2017 noted that all bills were automatically issued to the customer's nominated postal address.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 155</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.5(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>155</b>	A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise.	
<b>Observations</b>		
Walkthrough with the Retail & Community Manager and examination of Horizon Power's standard bill template determined that it included all 30 particulars listed under clause 4.5(1) of the Code and there were no instances where a customer requested any variation to the prescribed information on their bill.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 156, 176</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.5(3) & 4.17(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>156</b>	If a retailer identifies and wishes to bill a customer for a historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with, or on the customer's next bill.	
<b>176</b>	If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified.	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Manager noted that any historical debt from where a customer whose previous estimated bill was lower than the actual read will appear automatically in the balance of the customer's next standard bill. Special bills may also be raised from time to time and will be issued to the customer along with a cover letter detailing the basis for the bill. It has been determined through examination of billing procedures that Horizon Power will not pursue an amount of historical debt that is greater than 12 months and that Horizon Power does not charge interest on historical debt amounts being recouped and there are no additional fees.</p> <p>Walkthrough of an adjustment bill noted that Horizon Power provided the customer an explanation as to why the current bill was higher than previous bills, due to "catch-up reads". It is noted that historical debt or outstanding debt is automatically applied to the next standard bill and basis of the bill is implicit in the supply period and total units consumed.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 157</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.6(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>157</b>	<p>A retailer must base a customer's bill on the following:</p> <ul style="list-style-type: none"> <li>the distributor's or metering agent's reading of the meter at the customer's supply address;</li> <li>the customer's reading of the meter in the circumstances specified in subclause 4.6(1)(b); or</li> <li>If the connection point is a Type 7 connection point, the procedure is set out in the metrology procedure or Metering Code, or as set out in any applicable law.</li> </ul>	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Manager noted that since the installation of the advanced meters the actual read process is now fully automated. The advanced meters send actual consumption to mData21 System overnight where it is validated and then pushed to the Velocity billing system where the invoice is automatically generated and sent to the customer's nominated address.</p> <p>Where there are residual non-advanced meters installed at the property, Horizon Power can provide the customer with options to self-read the meter or be billed with an agreed estimate. Where the meter is a self-read meter or a customer agrees to be billed an agreed estimate, Horizon Power endeavours to obtain an actual read at least once every 12 months. Where a residual or non-advanced meter is required to be read then a Horizon Power crew member or contractor will provide this service and upload using electronic devices to mData21.</p> <p>Discussions with the Retail Services Manager noted that since the introduction of advanced meters, customer self-reads is no longer an option as of August 2016 as these have been replaced with either an advanced meter or based on agreed estimates. Additionally, it was determined that where Horizon Power connects to unmetered Type 7 connection points the customer will be billed an agreed daily rate.</p> <p>Sample based testing of five bills noted no exceptions during the audit period 1 April 2015 to 31 March 2017 and the amounts billed were all based on meter readings.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 159, 161</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.8(1) & 4.8(3)4.8(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>159</b>	If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.	
<b>161</b>	On request, a retailer must inform a customer of the basis and the reason for the estimation.	
<b>Observations</b>		
<p>Examination of Horizon Power's standard form contract noted that under clause 5.1(d) that Horizon Power will estimate a bill if they are unable to base a bill on an actual reading of the meter.</p> <p>Examination of the estimated bill template noted that Horizon Power will provide a) the basis of estimation b) the reason for the estimation; and the customer may request a meter reading; c) verification of a meter reading. The estimated bill template clearly identifies that it is an estimated read.</p> <p>When an actual read cannot be obtained, customers will be billed based on estimated reads by mData21. Automated estimated reads are assessed against pre-programmed rules on Velocity and as a result some estimated reads may require further manual validation by a billing team member if it fails an assessment against one or more of those rules.</p> <p>Customer Service Representatives have the required information on Velocity to advise a customer the basis for an estimation and we have determined there are policies and procedures in place for an investigation into a high bill complaint raised by a customer.</p> <p>Sample based testing of five customer's bills during the audit period, 1 April 2015 to 31 March 2017, noted that when the retailer was unable to reasonably base a bill on the actual reading of a meter, an estimated bill was issued.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 160</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.8(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>160</b>	In circumstances where a customer's bill is estimated, a retailer must clearly specify on the customer's bill the information required under subclause 4.8(2).	
<b>Observations</b>		
<p>Discussion with the Retail and Community Manager noted that the previous 14/15 Performance audit determined that Horizon Power failed to include the wording "verification of a meter reading" as prescribed under the Code on the estimated bill templates. Horizon Power has since implemented the changes to the wording in the Estimated Bill Template and are currently in compliance with the Obligation.</p> <p>Examination of the current Estimated Bill Template that is maintained by Serviceworks noted that it clearly stipulates the exact wording as prescribed under the Code that; on request Horizon Power will provide:</p> <ul style="list-style-type: none"> <li>a) the basis of the estimation;</li> <li>b) the reason for estimation; and the customer may request a meter reading</li> <li>c) verification of a meter reading.</li> </ul> <p>Estimated bills are automatically generated using this template and therefore sample based testing is not required as this is an automated control. It is noted that under the 2016 Code, the new wording has changed from "verification of a meter reading" to "verification of energy data", however, these have the exact meaning.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 162, 163</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.9, 4.10		<b>Reporting Type</b> 2 (162), NR (163)
<b>Obligation Description</b>		
<b>162</b>	In accordance with clause 4.19, if a retailer gives a customer an estimated bill and the meter is subsequently read, the retailer must include an adjustment on the next bill to take account of the actual meter reading.	
<b>163</b>	If a customer satisfies the requirements specified in subclause 4.10, a retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading.	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Manager and walkthrough of the Velocity billing system noted that a bill adjustment between the customers' estimated read and the actual read will appear automatically in the balance of the customer's next standard bill.</p> <p>Where an account is in credit or estimated was higher than actual read then the amount in credit will automatically appear on the customer's next statement in the balance. A customer may choose to keep an account in credit to offset future consumption or may request a refund from Horizon Power. Horizon Power processes all EFT refunds to customers whilst Serviceworks processes cheques via a cheques register managed through the system to Ellipse; cheques are run every Tuesday and Thursday.</p> <p>Discussions with the Retail Services Manager noted that Horizon Power will use its best endeavours to replace an estimated bill with a bill based on an actual reading if contacted by a customer. Walkthrough of one sample noted an instance where a customer requested an actual read after Horizon Power recorded that the customer failed to provide access to a meter. The bill was suppressed for up to three weeks whilst Horizon Power completed the meter read and reissued the customer with a bill based on an actual reading.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 166, 167</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.12(1) & 4.13		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>166</b>	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff and demonstrates to the retailer that they satisfy the conditions of eligibility, a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.	
<b>167</b>	If a customer's electricity use changes, and the customer is no longer eligible to continue to receive an existing more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.	
<b>Observations</b>		
<p>Discussion with the Retail Services Manager and examination of Horizon Power's Electricity and Tariffs and Charges Brochure noted that small use residential customers are ineligible for an alternate L2 and L4 tariff arrangements and are only offered to small use business customers who meet the eligibility criteria:</p> <ul style="list-style-type: none"> <li>• The L2 tariff is applied to customers where electricity is used for business purposes, with consumption up to 50 megawatt hours per annum (up to 137 units per day on average).</li> <li>• The L4 tariff is applied to customers where the electricity is used for business purposes, with consumption of 50 megawatt hours or more per annum (greater than 137 units per day on average).</li> </ul> <p>A more favourable L4 tariff is available where a small use business customer exceeds the L2 tariff consumption or if an L4 customer is no longer eligible for this tariff then are placed on an L2 tariff, with written notice. It is noted that Horizon Power's regional Retail Community Managers monitor a Qlikview (business intelligence) report to check whether a customer's usage entitles them to a more cost effective alternative tariff or whether no longer eligible.</p> <p>Discussion with Retail &amp; Community Manager noted that the types of alternate tariffs available for application by customers are C2, D2, and K2, for charitable organisations, not-for-profits, and mixed residential-business properties, respectively.</p> <p>Sample based testing of five tariff changes during the audit period 1 April 2015 to 31 March 2017 noted that each customer was provided with the required written notification prior to the change to an alternate tariff.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 168, 169, 170</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.14(1), 4.14(2) & 4.14(3)		<b>Reporting Type</b> NR (169), 2 (169, 170)
<b>Obligation Description</b>		
<b>168</b>	If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.	
<b>169</b>	Subject to subclause 4.14(3), if a customer's account is in credit at the time of account closure, a retailer must, in accordance with the customer's instructions, transfer the amount of credit to another account that the customer has with the retailer or a bank account nominated by the customer, within 12 business days or other agreed time.	
<b>170</b>	If a customer's account is in credit at the time of account closure and the customer owes a debt to a retailer, the retailer may use that credit to offset the debt owed to the retailer by giving the customer written notice. If any amount remains after the set off, the retailer must ask the customer for instructions to transfer the remaining amount in accordance with subclause 4.14(2).	
<b>Observations</b>		
<p>Examination of the Standard Form Contract, approved February 2017 noted that clause 9.3 demonstrates that Horizon Power will endeavour to arrange for the final bill in accordance with the customers move out request. Clause 9.3 states that:</p> <ul style="list-style-type: none"> <li>• Where a customer advises Horizon Power of moving out then a final meter reading will be made of the day that the customer moves out of the premises and the final bill will be issued to the customers nominated address.</li> <li>• Where a customer's final bill is in credit after settling the account, then the customer may choose to have Horizon Power credit the amount to any new account or refund the customer.</li> </ul> <p>Examination of the Customer Service Policy noted that where a customer is overcharged, Horizon Power must advise the customer within 10 business days of becoming aware of the overcharge. If the amount is less than \$100 the customer's account will be credited. For amounts that exceed \$100, the option to receive a cheque refund must be offered to the customer. Once the request has been made, the payment will be processed within 12 business days and there is no time or monetary limit to the refund of amounts overcharged.</p> <p>Where an account is in credit or estimated was higher than actual read then the amount in credit will automatically appear on the customer's next statement in the balance. A customer may choose to keep an account in credit to offset future consumption or may request a refund from Horizon Power. Horizon Power processes all EFT refunds to customers whilst Serviceworks, H processes cheques via a cheques register managed through the system to Ellipse; cheques are run every Tuesday and Thursday.</p> <p>If there is a credit showing at the time of account closure then the customer is to contact Horizon Power to request a refund. If the customer doesn't provide instructions for a refund then Horizon Power will issue a refund cheque.</p> <p>Walkthrough of the closure of a customer account with a credit balance noted that Horizon Power has processes and procedures in place to finalise customer accounts at the customer's request.</p> <p>Sample based testing of 10 customer refunds noted no exceptions during the audit period 1 April 2015 to 31 March 2017 and all refunds were processed within five business days from the date that the customer specified refund instructions.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 171, 172, 173</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.15, 4.16(1)(a) & 4.16(1)(b)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>171</b>	A retailer must review a customer's bill on request by the customer, subject to the customer paying that portion of the bill under review that the customer and a retailer agree is not in dispute, or an amount equal to the average amount of the customer's bill over the previous 12 months (excluding the bill in dispute, whichever is less), and paying any future bills that are properly due.	
<b>172</b>	If a retailer has reviewed a customer's bill and is satisfied that the bill is correct, the retailer may require the customer to pay the unpaid amount. The retailer must advise the customer that the customer may request for a meter test in accordance with the applicable law; and also the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.	
<b>173</b>	If a retailer has reviewed a customer's bill and is satisfied that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.	
<b>Observations</b>		
<p>Discussions with the Retail &amp; Community Manager noted that a suppression on the entire bill is manually placed on an account from the time that a customer makes a complaint about a high bill or other issue while it is being investigated. A description of the complaint is recorded by the customer service operator and the date and time of the complaint is logged in the account details. Serviceworks customer service operators have access to a complaints overview that provides guidance on the escalation process for complaints and the complaint management timeframes. It is noted that for Telephone/Mail/Fax/E-mail/Online (Feedback Forms) the initial response is immediate or within one business day and the resolution is to be sought within 15 business days from day complaint was received.</p> <p>Inspection of the Customer Service Policy section 5 Metering and Billing noted that if a customer has requested the invoice be reviewed, it must be completed and the customer advised of the outcome within 20 business days of the request.</p> <p>Where an account is in credit or estimated read was higher than actual read then the amount in credit will automatically appear on the customer's next statement in the balance. A customer may choose to keep an account in credit to offset future consumption or may request a refund from Horizon Power. Horizon Power processes refunds by EFT to customers whilst Serviceworks process cheques via a cheques register that is sent through the system to Ellipse; cheques are processed every Tuesday and Thursday.</p> <p>Sample based testing of five high bill complaints during the audit period 1 April 2015 to 31 March 2017 noted that Horizon Power followed standard procedures in reviewing a high bill complaint by offering the customer a meter test if they believe the meter was faulty and advised them of their rights to seek resolution through the Horizon Power complaints process or through the Electricity Ombudsman</p> <p>There was one instance recorded where Horizon Power had overcharged a customer and applied a refund during the audit period 1 April 2015 to 31 March 2017 and testing of this noted that once the customer complained, Horizon Power completed a consumption adjustment to reflect the current consumption, leaving a credit on their account. The refund was applied by EFT as per customer's instructions within 12 business days of the customer providing instructions.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, Horizon Power has been non-compliant with minor impact on customers and third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 174, 175</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.16(2), 4.16(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>174</b>	A retailer must inform a customer of the outcome of the review of a bill as soon as practicable.	
<b>175</b>	If a retailer has not informed a customer of the outcome of the review of a bill within 20 business days from the date of receipt of the request for review, the retailer must provide the customer with notification of the status of the review as soon as practicable.	
<b>Observations</b>		
<p>Discussions with the Retail and Community Manager noted that a suppression is manually selected by the operator on Velocity for an account from the time that a customer makes a complaint regarding their bill. A description of the complaint is recorded by the customer service operator and the date and time of the complaint logged in the account details.</p> <p>Serviceworks customer service operators have access to guidance on the escalation process for complaints with conservative complaint management timeframes. It is noted that for Telephone/Mail/Fax/E-mail/Online (Feedback Forms) the initial response should be immediate or within one business day and the resolution is to be sought within 15 business days from receipt of compliant.</p> <p>Examination of work instructions noted Horizon Power provides the regional based Business Services Officers with guidance on recording, processing and closing customer complaints. Inspection of the Customer Service Policy noted that if a customer has requested the invoice be reviewed, it must be completed and the customer advised of the outcome within 20 business days of the request.</p> <p>Sample based testing of five complaints during the audit period 1 April 2015 to 31 March 2017 did not identify any instances where Horizon Power failed to inform the customer of the outcome of the review of their bill within 20 business days from the date of receipt of the request for review and also notify the customer of the status in a timely manner.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 176A</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.17(3)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>176A</b>	A retailer may charge a customer interest on the undercharged amount or require the customer to pay a late fee, if the conditions in clause 4.17(3) are met.	
<b>Observations</b>		
<p>Discussions with the Retail &amp; Community Manager, supplemented with an examination of Horizon Power's credit management policies and procedures noted that Horizon Power requires a customer to pay a late payment fee where a customer has failed to pay the amount to be recovered and has not entered into an instalment plan. Horizon Power has procedures in place to apply late fees within the obligated timeframes.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 177</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.18(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>177</b>	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer within 10 business days of the retailer becoming aware of the error, defect, or default. Subject to subclauses 4.18(6) and 4.18(7), the retailer must ask the customer for instructions if the amount should be credited to the customer's account or repaid to the customer directly.	
<b>Observations</b>		
<p>Discussions with the Retail &amp; Community Manager noted that Horizon Power offer a meter test to customers who contact them regarding a high bill or a suspected faulty meter. Horizon Power charges the customer for a meter test and where it is found to be defective the meter test fee is refunded to the customer in addition to any adjustments to their bill. Where a customer is undercharged, Horizon Power is entitled to recover the amount undercharged up to 12 months prior to the date Horizon Power advises the customer of the undercharge.</p> <p>Where an account is in credit or estimated read was higher than actual read then the amount in credit will automatically appear on the customer's next statement in the balance. A customer may choose to keep an account in credit to offset future consumption or may request a refund from Horizon Power. Horizon Power processes all EFT refunds to customers whilst Serviceworks processes cheques via a cheques register managed through the system to Ellipse; cheques are run every Tuesday and Thursday.</p> <p>There was one instance recorded where Horizon Power overcharged a customer and applied a refund during the audit period, 1 April 2015 to 31 March 2017, and testing of this sample noted that once the customer complained, Horizon Power completed a consumption adjustment to reflect the current consumption, leaving a credit on their account. The refund was applied by EFT as per customer's instructions within 12 business days of the customer providing instructions.</p> <p>The post implementation plan item 7/2015 raised in the 2015 performance audit has been resolved in the current audit period. Horizon Power reinforced the importance of adhering to existing processes for the notification to customers within 10 business days of the retailer becoming aware of where overcharges occur on accounts.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 178, 179</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.18(3) & 4.18(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>178</b>	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.	
<b>179</b>	If instructions regarding repayment of an overcharged bill are not received within 20 business days of a retailer making the request, a retailer must use reasonable endeavours to credit the amount overcharged to a customer's account.	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Services Manager noted that Horizon Power has billing processes and procedures in place to credit a customer the amount overcharged and refund the overcharged amount as per a customer's instructions.</p> <p>Examination of the Customer Service Policy noted that where a customer is overcharged Horizon Power must advise the customer within 10 business days of becoming aware of the overcharge. If the amount is less than \$100 the customer's account will be credited. For amounts that exceed \$100, the option to receive a cheque refund must be offered to the customer. Once the request has been made, the payment will be processed within 12 business days from Horizon Power receiving instructions and there is no time or monetary limit to the refund of amounts overcharged.</p> <p>A customer may choose to keep an account in credit to offset future consumption or may request a refund from Horizon Power. Horizon Power processes all EFT refunds to customers whilst Serviceworks processes cheques via a cheques register managed through the system to Ellipse; cheques are run every Tuesday and Thursday.</p> <p>Sample based testing of 10 customers during the audit period, 1 April 2015 to 31 March 2017, noted that all customers overcharged were refunded the overcharged amount within the obligated 12 business days after customer instructions for the refund were received.</p> <p>Walkthrough of the sample of overcharged customers during the audit period, 1 April 2015 to 31 March 2017, noted that where Horizon Power overcharged a customer and no refund instructions were received from the customer, the overcharged amount was credited automatically on that customer's next bill within 20 business days</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 180, 181, 184</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.18(6), 4.18(7) & 4.19(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>180</b>	Where the amount overcharged is less than \$100, a retailer may proceed to deal with the matter as outlined in subclause 4.18(6).	
<b>181</b>	A retailer may, by giving the customer written notice, use an amount overcharged to set off a debt owed to the retailer, provided that the customer is not a residential customer experiencing payment difficulties or financial hardship. If, after the set off, there remains an amount of credit, the retailer must deal with the amount of credit in accordance with subclauses 4.18(2) or 4.18(6), as applicable.	
<b>184</b>	If a retailer receives instructions under subclause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Services Manager, supplemented with a walkthrough of the Velocity billing system noted that Horizon Power must apply a credit to the customer's next bill before being able to take instructions on refunding the actual amount in credit. If there is an outstanding debt on another account then the customer may request to have the amount in credit applied to another account. Horizon Power undertakes the same process for overcharges and adjustments and there are processes in place to support payment of amounts within 12 business days to the customer.</p> <p>A customer may choose to keep an account in credit to offset future consumption or may request a refund from Horizon Power. Horizon Power processes all EFT refunds to customers whilst Serviceworks processes cheques via a cheques register managed through the system to Ellipse; cheques are run every Tuesday and Thursday.</p> <p>Examination of the Customer Service Policy noted that where a customer is overcharged Horizon Power must advise the customer within 10 business days of becoming aware of the overcharge. If the amount is less than \$100 the customer's account will be credited. For amounts that exceed \$100, the option to receive a cheque refund must be offered to the customer. Once the request has been made, the payment will be processed within 12 business days and there is no time or monetary limit to the refund of amounts overcharged.</p> <p>Sample based testing of 10 customers overcharged during the audit period, 1 April 2015 to 31 March 2017, noted where customers were incorrectly overcharged an amount less than \$100 it was credited into the customer's account within 12 business days. There were no instances during the audit period where Horizon Power used an amount overcharged to set off a debt owed to them on another account by the customer.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 183</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.19(2)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>183</b>	If the meter is read under either clause 4.6 or clause 4.3(2) (d), and the amount of the adjustment is an amount owing to the customer, the retailer must use its best endeavours to inform the customer within 10 business days and ask the customer for instructions about the repayment of the amount subject to subclauses 4.19(5) and 4.19(7).	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Services Manager noted that credits are mainly due to solar Feed-in Tariffs (FIT) and buy back solar credits that are credited to customers who feed electricity back into the grid from renewable energy and there have been no instances identified where there has been an adjustment applied due to an overcharge.</p> <p>Examination of the Standard Form Contract noted that clause 9.3 demonstrates that Horizon Power will endeavour to arrange for the final bill in accordance with the customers move out request. Clause 9.3 states that;</p> <ul style="list-style-type: none"> <li>• Where a customer advises Horizon Power of moving out then a final meter reading will be made of the day that the customer moves out of the premises and the final bill will be issued to the customers nominated address.</li> <li>• Where a customer's final bill is in credit after settling the account, then the customer may choose to have Horizon Power credit the amount to any new account or refund the customer.</li> </ul> <p>Examination of the Customer Service Policy noted that where a customer is overcharged Horizon Power must advise the customer within 10 business days of becoming aware of the overcharge. If the amount is less than \$100 the customer's account will be credited. For amounts that exceed \$100, the option to receive a cheque refund must be offered to the customer. Once the request has been made, the payment will be processed within 12 business days. There is no time or monetary limit to the refund of amounts overcharged.</p> <p>Where an account is in credit or estimated was higher than actual read then the amount in credit will automatically appear on the customer's next statement in the balance. A customer may choose to keep an account in credit to offset future consumption or may request a refund from Horizon Power. Horizon Power processes all EFT refunds to customers whilst Serviceworks processes cheques via a cheques register managed through the system to Ellipse; as an action to the previous performance audit, there are now two cheque runs a week, every Tuesday and Thursday, to significantly improve the timeliness of payments.</p> <p>Walkthrough of a customer requesting a final reading on an advanced meter at the customer's supply address noted that Horizon Power immediately raised a service order for an automated special final read to be completed the next day.</p> <p>There was one instance recorded where Horizon Power overcharged a customer during the audit period 1 April 2015 to 31 March 2017 and testing of this sample noted that when the customer complained, Horizon Power completed a consumption adjustment to reflect the current consumption, leaving a credit on their account. The refund was applied by EFT as per customer's instructions within 12 business days of the customer providing instructions.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 182</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.19(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>182</b>	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of a customer, the retailer must comply with subclause 4.19(1).	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Services Manager, supplemented with a walkthrough of the Velocity billing system noted that an amount undercharged which does not arise due to any act or omission of a customer will not be back dated greater than 12 months from the date of notification of the undercharged amount. It is noted that once the customer is notified of the undercharge, the adjustment is applied to the next standard bill and basis of the bill is implicit in the supply period and total units consumed. Horizon Power does not charge interest on historical debt amounts being recouped and there are no additional fees.</p> <p>Examination of a letter notifying a customer of an amount undercharge determined that Horizon Power has processes and procedures in place to recover an amount of an adjustment and where a customer indicates any difficulty in paying this account, Horizon Power can arrange a payment plan for the customer.</p> <p>Sample based testing of five undercharged customers noted that all customers advised of an undercharge due to an estimated read had the adjustment automatically applied to their next bill with the reason for the undercharge implicit in the actual consumption for the supply period. Where Horizon Power incorrectly read the meter, a letter was sent to the customer advising of the error and to notify them that their next bill will higher than usual for these reasons.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 185</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.19(4)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>185</b>	If a retailer does not receive instructions under subclause 4.19(2), within five business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.	
<b>Observations</b>		
<p>Discussions with the Retail &amp; Community Service Manager and examination of the Horizon Power's credit management processes and procedures determined that an adjustment is automatically credited to the customer's next bill. Where an account is in credit and the customer has not provided refund instructions then the amount in credit will automatically appear on the customer's next statement in the balance within the obligated timeframe.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 186</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.19(7)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>186</b>	A retailer may, after notifying the customer in writing, use an amount of an adjustment to set off that customer's debt owed to the retailer, provided that the customer is not a residential customer in payment difficulties or financial hardship. If, after the set off, there remains an amount of credit, the retailer must deal with that amount in accordance with subclause 4.19(2) or, if the amount is less than \$100, subclause 4.19(5).	
<b>Observations</b>		
<p>Examination of the Customer Service Policy noted that where a customer is overcharged Horizon Power must advise the customer within 10 business days of becoming aware of the overcharge. If the amount is less than \$100 the customer's account will be credited. For amounts that exceed \$100, the option to receive a cheque refund must be offered to the customer. Once the request has been made, the payment will be processed within 12 business days and there is no time or monetary limit to the refund of amounts overcharged.</p> <p>Where an account is in credit or estimated was higher than actual read then the amount in credit will automatically appear on the customer's next statement in the balance. A customer may choose to keep an account in credit to offset future consumption or may request a refund from Horizon Power. Horizon Power processes all EFT refunds to customers whilst Serviceworks processes cheques via a cheques register managed through the system to Ellipse; cheques are run every Tuesday and Thursday.</p> <p>If there is a credit showing at the time of account closure then the customer is to contact Horizon Power to request a refund. If the customer doesn't provide instructions for a refund then Horizon Power will issue a refund cheque. If there is an outstanding debt on another account then the customer may request to have the amount in credit applied to another account.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 187</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>187</b>	The due date on a bill must be at least 12 business days from the dispatch date of that bill unless otherwise agreed with a customer.	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Services Manager and Retail Services Manager, supplemented with a walkthrough of the Velocity billing system noted that Velocity is programed to calculate the dispatch date of the bill being greater than 12 business days from the due date of the bill. Therefore, this process is automated in the system and this is reflected in Horizon Power's credit processes and procedures.</p> <p>Examination of the Standard Form Contract noted that the due date of the bill will be at least 12 business days from the date of the bill.</p> <p>Sample based testing of five standard bills during the audit period, 1 April 2015 to 31 March 2017, noted that for all customers the bill was not due less than 12 business days after the bill was dispatched.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 188</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.2		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>188</b>	Unless otherwise agreed with a customer, a retailer must offer the customer at least the payment methods prescribed in clause 5.2.	
<b>Observations</b>		
Discussion with the Retail & Community Services Manager and examination of the estimated and standard bill templates, Customer Service Charter and website determined that Horizon Power offer the minimum payment methods prescribed in clause 5.2:		
<ul style="list-style-type: none"> <li>(a) Pay in person;</li> <li>(b) Mail;</li> <li>(c) Centrepay;</li> <li>(d) BPay or Credit card; and</li> <li>(e) Telephone &amp; Internet Banking – BPAY</li> </ul>		
Pre-payment meter customers who purchase electricity credit at a recharge facility have this credited to their SmartGridCIS (SGCIS) pre-payment account.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 189</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.3		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>189</b>	Prior to commencing a direct debit facility, a retailer must obtain a customer’s verifiable consent and agree with the customer the date of commencement of the facility and the frequency of the direct debits.	
<b>Observations</b>		
Discussion with the Retail Services Manager noted that customers can apply for a direct debit account over the phone or on the Horizon Power website. However, both methods require the completion of a manual direct debit request form which must be completed by the customer and returned to Horizon Power.		
A direct debit request form can be automatically generated on Velocity and sent to a customer where the customer is requesting an account over the phone or downloaded from the Horizon Power website. All direct debit request forms are retained and archived by Horizon Power and Serviceworks. Once the direct debit request is received then Horizon Power will issue a direct debit confirmation letter to the customer.		
Sample based testing of five direct debit customers during the audit period of 1 April 2015 to 31 March 2017, noted that for all five customers, Horizon Power obtained verifiable consent and agreed with customers the date of commencement of the facility and the frequency of the direct debits.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 190</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.4		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>190</b>	Upon request, a retailer must accept payment in advance from a customer. This will not require a retailer to credit any interest to the amounts paid in advance. Subject to clause 6.9, and unless otherwise agreed with a customer, the minimum amount for an advance payment that a retailer will accept is \$20.	
<b>Observations</b>		
Discussion with the Retail & Community Manager noted that customers can choose to pay any amount in advance and that there is no minimum requirement. Some customers may choose to remain in credit to offset future consumption. It is noted that Horizon Power does not offer a bill smoothing service, however, customers may set up a similar payment pattern using fortnightly and monthly BPAY or CentrePay to assist with payment difficulties.		
Examination of Horizon Power documents determined that there are processes and procedures in place to refund a customer a credit.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 191</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.5		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>191</b>	If, due to illness or absence, a residential customer is unable to pay by way of the methods described in clause 5.2, a retailer must offer to redirect the customer's bill to a third person at no charge.	
<b>Observations</b>		
Discussion with the Retail and Community Manager and walkthrough of Velocity noted that Horizon Power has processes to enable a redirection of a bill to an alternate mailing address, at the request of a customer and with approval from the third person, at no charge.		
Examination of Horizon Power's documents noted that there are payment arrangements offered to customers suffering from financial hardship due to illness or absence.		
Based on our examination of the fees and charges listing on Horizon Power's website there are no charges listed for redirection of a customer's bill.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 194, 195</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.6(3) & 5.6(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>194</b>	A retailer must not charge an additional late payment fee in relation to the same bill within five business days from the date of receipt of the previous late payment fee notice.	
<b>195</b>	A retailer must not charge a residential customer more than two late payment fees in relation to the same bill or more than 12 late payment fees in a year.	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Services Manager and walkthrough of the Velocity billing system noted that there are system controls in place to ensure that Horizon Power meets the obligated timeframes for the application of late payment fees.</p> <p>Velocity is coded to ensure that:</p> <ul style="list-style-type: none"> <li>• There is a maximum of two late payment fees applied in relation to the same bill and no more than 12 late payment fees in a year.</li> <li>• Late payment fees are charged at least five business days apart.</li> </ul> <p>Sample based testing of five customers noted no instances during the audit period 1 April 2015 to 31 March 2017 where:</p> <ul style="list-style-type: none"> <li>• An additional late payment fee was charged in relation to the same bill within five business days from the date of receipt of the previous late payment fee notice.</li> <li>• A residential customer was charged more than two late payment fees in relation to the same bill or more than 12 late payment fees in a year.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 197</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.7(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>197</b>	A retailer must not require a customer, who has vacated a supply address, to pay for electricity consumed at the customer's supply address in the circumstances specified in subclause 5.7(1).	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Services Manager noted that customers fill out a move-out request online or via the Serviceworks call centre and the customer service representative will process a move-out on Velocity that generates a move-out service order from Velocity to mData21 to automatically de-energise the meter within three business days at the latest. As soon as a move-out is requested by a customer, the advanced meter issues a final read on the date of the move-out request to de-energise the premise on the same day for billing purposes.</p> <p>For non-advanced meters, final read service orders are raised in Velocity and the regional office will action the request within five business days of the move-out request. If notification has not been received and a move-in to the property has been established, Velocity will automatically finalise the previous account and issue a final read service order. It is noted that the post-implementation action item 8/2015 has been resolved since September 2015 as AMI has incorporated remote facilitation of final reads across any advanced meter on the date requested by the customer and, since August 2016, final read service orders are automated for both advanced and non-advanced meters.</p> <p>There are instances where a customer may have been billed as did not inform Horizon Power of moving out. If the customer has not informed Horizon Power of the move-out then the bill is still sent to the property and if this is not paid then it goes through the standard credit cycle.</p> <p>Examination of the Standard Form Contract noted that if a customer moves out of a supply address and no longer requires the supply of electricity, the customer must advise Horizon Power:</p> <ul style="list-style-type: none"> <li>(i) at least five days before move-out; and</li> <li>(ii) of an address where the final bill can be sent.</li> </ul> <p>Walkthrough and testing of a vacated customer noted a move-out request on the 8 February 2017 to vacate on 9 February 2017 and Horizon Power finalised the move-out within five business days on the 13 February 2017. It was noted that this was an automated process where a vacated customer cannot be billed for consumption after notifying Horizon Power of the move-out date and a final bill is generated.</p> <p>If the customer does not advise Horizon Power as described in clause 9.3(a), Horizon Power may require the customer to pay for electricity used at the premises for up to a maximum of five days after the notification to move out of the premises.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 198</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.7(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>198</b>	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require the customer to pay for electricity consumed at that supply address from the date the customer gave the notice to the retailer.	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Services Manager noted that customers fill out a move-out request online or via the Serviceworks call centre and the customer service representative will raise a service order on Velocity and mData21 to automatically halt supply of electricity at the advanced meter within three business days at the latest. As soon as a move-out is requested by a customer, the advanced meter issues a final read on the date of the move-out request and supply is temporarily halted at the premise on the same day for billing purposes. Where a customer demonstrates that they have been evicted from the premise, Horizon Power would backdate a final bill depending on the circumstances.</p> <p>Examination of the Standard Form Contract noted that Clause 9.3(c) outlines that Horizon Power will not require a customer to pay for electricity consumption beyond the period of notice if the customer is forced to vacate the supply address and the customer notifies Horizon Power immediately.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 199</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.7(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>199</b>	Notwithstanding subclauses 5.7(1) and (2), a retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified in subclause 5.7(4).	
<b>Observations</b>		
<p>Discussion with the Retail &amp; Community Services Manager supplemented with a walkthrough of the Velocity billing system noted that Velocity has system controls in place preventing two open accounts with the same National Metering Identifier (NMI) meter number at any time. An old account with the same NMI number must be closed before a new account can be opened using the same meter.</p> <p>Examination of Horizon Power's billing processes determined that:</p> <ul style="list-style-type: none"> <li>• Debt is only recoverable from the customer listed as the account owner on Velocity.</li> <li>• Velocity only permits an amount to be billed to the account owner listed.</li> <li>• As soon as a move-out is requested by a customer then an advanced meter can issue a final read on the date of the move-out request and be disconnected at the premise on the same day.</li> </ul> <p>Walkthrough and testing of a vacated customer noted a move-out request on the 8 February 2017 to vacate on 9 February 2017 and Horizon Power finalised the move-out within five business days on the 13 February 2017. It was noted that this was an automated process where a vacated customer cannot be billed for consumption after notifying Horizon Power of the move-out date and a final bill is generated.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 200, 201</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.8(1), 5.8(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>200</b>	A retailer must not commence proceedings to recover a debt from a residential customer who meets the criteria in subclause 5.8(2).	
<b>201</b>	A retailer must not recover, or attempt to recover, a debt from a person relating to a supply address other than the customer who the retailer has, or had, entered into a contract for the supply of electricity to that supply address.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager and examination of Horizon Power's credit management processes, we determined that Horizon Power has the following credit management procedures:</p> <ul style="list-style-type: none"> <li>• Customers are contacted prior to being referred to Horizon Power's debt collection provider (National Credit Management Limited - NMCL)</li> <li>• Customers are not referred to NMCL if experiencing financial hardship or agreed to a payment plan</li> </ul> <p>Velocity cannot have two open accounts at any time and one account must be closed before another one can be opened, therefore it is only possible to recover debt from the current account holder who incurred that debt.</p> <p>The Retail Services Manager monitors the status of customers referred to debt collection by means of monthly statements and progress reports generated by NMCL.</p> <p>Walkthrough of one customer sample during the audit period 1 April 2015 to 31 March 2017 noted that Horizon Power only recovered a debt from the person in which Horizon Power entered into a contract for the supply of electricity to that supply address. It is noted that this control is automatic and Horizon Power are unable to recover a debt from a residential customer that does not have an established account.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 201A</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 5.9		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>201A</b>	A retailer may transfer one customer's debt to another customer if requested by the customer owing the debt and provided that the retailer obtains the other customer's verifiable consent to the transfer.	
<b>Observations</b>		
Discussion with Retail Services Manager noted that there are processes in place to transfer debt from one customer to another customer after obtaining the receiving customer's verifiable consent.		
Examination of one customer account during the performance audit period 1 April 2015 to 31 March 2017 noted that Horizon Power transferred one customer's debt to another customer as requested by the recipient and the customer's verbal consent was recorded in the account notes.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 202</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.1(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>202</b>	If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether the residential customer is experiencing payment difficulties or financial hardship within five business days; or, if the retailer cannot make the assessment within five business days, refer that customer to a relevant consumer representative to make the assessment.	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer, it was noted Horizon Power will perform an assessment of financial hardship when a retail customer informs them of payment difficulties. Calls from customers are received by Serviceworks who will note the preliminary details of the customer's payment difficulties and apply a credit control suppression to the customer's Velocity account, suspending credit activities for 28 business days. CSRs inform the customer that the Senior Customer Service Officer will contact them for further details. At the end of each day, Serviceworks send the Senior Customer Service Officer a list of financial hardships that occurred.</p> <p>The Senior Customer Service Officer will then call each customer to obtain further details. If the Senior Customer Service Officer determines the customer's situation is applicable to the HUGS, a HUGS application is submitted to the Department of Child Protection (DCP) website. Where DCP informs Horizon Power the customer's application is denied, the Senior Customer Service Officer will call the customer to inform them the application was unsuccessful. Horizon Power aim to complete this process within two business days, which is within the five business days timeframe required by the Code.</p> <p>In addition to referrals from Serviceworks, the Senior Customer Service Officer can be informed of customers experiencing payment difficulties through referrals from independent financial counsellors. In these instances, the process performed by the Senior Customer Service Officer remains as above. Horizon Power will respond to all customer communications received by email, mail, or telephone.</p> <p>It was noted that the below documentation and guidance is provided to assist in ensuring that the appropriate assessment is performed in line with the timeframes stipulated in the Code:</p> <ul style="list-style-type: none"> <li>• The Financial Hardship Procedure is provided to Horizon Power and Serviceworks staff. This procedure outlines the guidelines, responsibility and obligations in the treatment of customer experiencing financial hardship as required by the Code. Note that the 2014 Code had a three business day timeframe, and the 2016 Code now has a five business day timeframe. Examination of this procedure revealed that the procedure still states the assessment must be performed within three business days. The Senior Customer Service Officer noted this has intentionally not been changed, as internally, Horizon Power aim to complete the process within two business days;</li> <li>• A suite of training modules is offered to CSRs, included in this suite of training is a module on HUGS. Training is monitored and tracked in a spreadsheet which is updated and reviewed on a monthly basis;</li> <li>• Work Instruction – Hardship Utilities Grants Scheme (HUGS), provides CSR with guidance on applying, monitoring, reporting and processing HUGS; and</li> <li>• CSRs have access to the Horizon Power Hardship and HUGS Overview. This document provides a high level definition and overview of the hardship/HUGS process.</li> </ul> <p>Examination of Appendix A in the Hardship Procedure noted that Horizon Power has a process for referring a customer to a relevant consumer representative if Horizon Power cannot make the financial hardship assessment within five business days. Through discussions with Management it was noted that all applications for financial hardship are assessed within three business days and where appropriate Horizon Power will refer customers to a financial councillor for government and non-government support programmes and ensure an open dialogue between Horizon Power and financial councillors.</p> <p>Sample based testing was performed over five customers who had informed Horizon Power of payment difficulties during the audit period. Testing revealed that in all instances the appropriate assessment was performed within five business days.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 203</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.1(3)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>203</b>	When undertaking an assessment under subclause 6.1(1) (a), a retailer must give reasonable consideration to the information prescribed in subclause 6.1(3) (a), or advice prescribed in subclause 6.1(3) (b), unless a retailer adopts an assessment from a relevant consumer representative.	
<b>Observations</b>		
<p>The Senior Customer Service Officer advised that initial assessments of payment difficulty or financial hardship are performed by Serviceworks. Through discussions and examination of documentation it was noted that the below processes and documents assist in ensuring that CSRs conduct assessment and give reasonable consideration to information provided by the customer as well as any advice provided by any relevant consumer representatives:</p> <ul style="list-style-type: none"> <li>• Work Instruction – Hardship Utilities Grants Scheme (HUGS), provides CSR with guidance on applying, monitoring, reporting and processing HUGS;</li> <li>• A suite of training modules is offered to CSRs, included in this suite of training is a module on HUGS. Training is monitored and tracked in a spreadsheet which is updated and reviewed on a monthly basis; and</li> <li>• CSRs have access to the Horizon Power Hardship and HUGS Overview. This document provides a high level definition and overview of the hardship/HUGS process.</li> </ul> <p>Based on observations of financial hardship credit call recordings and relevant commentary within Velocity, it was noted that Serviceworks staff were assisting customers in line with the requirements of the Code.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 204</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.1(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>204</b>	Upon request, a retailer must advise a residential customer of the details and outcome of an assessment carried out under subclause 6.1(1).	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer, it was noted that in the rare instance where a customer requests further details of the assessment performed, the Senior Customer Service Officer can provide these. Through examination of the HUGS Evaluation Register, it was noted the Senior Customer Service Officer provides commentary on each assessment if determined the customer was deemed eligible. All information logged is stored indefinitely in Velocity and the Senior Customer Service Officer records the Velocity account notes into the HUGS Evaluation Register.</p> <p>The Senior Customer Service Officer advised that independent financial counsellors can no longer submit HUGS applications. When a financial counsellor sends a hardship referral to Horizon Power this will include the details of the hardship assessment performed, this information can then be provided to customers if requested.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 205, 206, 207</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.2(1)-(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>205</b>	If a residential customer is referred to a relevant consumer representative under subclause 6.1(1) (b), a retailer must grant a temporary suspension of actions for that customer.	
<b>206</b>	A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer about payment problems under clause 6.1 and the customer demonstrates that an appointment with a relevant consumer representative has been made.	
<b>207</b>	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	
<b>Observations</b>		
<p>Through discussions with Senior Customer Service Officer it was noted when a customer is referred to a relevant consumer representative or when the CSR is informed of a customer's payment difficulties and the customer indicates an intention to apply for HUGS, the CSR will always apply a temporary credit control suppression to the customer's Velocity account. It was noted that this temporary suppression applied is for a period of 28 business days, more than the required of at least 15 business days stipulated in the Code.</p> <p>Through examination of the Horizon Power Hardship and HUGS Overview, it was noted that the steps to apply a 28 business day suppression is outlined in this document. A copy of the Financial Hardship Policy revealed the Code's requirement to provide a temporary suspension of credit actions for 15 business days.</p> <p>Sample based testing was performed on five instances where Horizon Power was informed of customers experiencing payment difficulties or referred to a consumer representative within the audit period. Testing revealed in all instances a temporary suppression of credit actions was appropriately applied.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 208</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.2(4)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>208</b>	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative to allow additional time to assess a residential customer's capacity to pay.	
<b>Observations</b>		
<p>The Senior Customer Service Officer advised that when a residential customer or a relevant consumer representative provides information on payment difficulties, Horizon Power will allow additional time to assess a customer's capacity to pay. This is performed through a 28 business day credit activity suppression applied to the account in Velocity. In all instances where a customer informs the CSR of experiencing payment difficulties this will be referred to the Senior Customer Service. Through examination of the Horizon Power Hardship and HUGS Overview, it was noted that the steps to apply a 28 business day suppression is outlined in this document.</p> <p>Sample based testing was performed on five instances where Horizon Power was informed of customers experiencing payment difficulties within the audit period. Testing revealed in all instances a temporary suppression of credit actions was appropriately applied.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 209, 210</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.3(1)(a)(b)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>209</b>	If a residential customer is assessed as experiencing payment difficulties, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1), and advise the residential customer that additional assistance may be available if the prescribed circumstances apply.	
<b>210</b>	If a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1) (b) and assistance in accordance with clauses 6.6 to 6.9.	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Services Officer and examination of the Financial Hardship Procedure, it was noted that Horizon Power has a process in place to provide assistance to customers who are assessed as experiencing financial hardship or payment difficulties. An overview of the assistance provided to financial hardship and payment difficulties customers when applicable is outlined below:</p> <ul style="list-style-type: none"> <li>• Additional time to pay a bill through the application of an account suppression. This suppression will suspend all of the customer's credit activities for 28 business days.</li> <li>• Offer the option to enter into a payment arrangement plan.</li> <li>• Consideration of a partial debt waiver, where a maximum of 25% of the customer's outstanding debt may be waived.</li> <li>• Offer the option to enter into a revised payment arrangement plan if the customer has reasonably demonstrated the inability to meet the financial obligations of a previously elected plan.</li> <li>• Facilitate a referral for a HUGS grant on behalf of the customer, if applicable.</li> <li>• Offer the option to have a bill redirected.</li> <li>• Advise the customer of the payment methods available.</li> <li>• Advise the customer of any concessions that may be applicable.</li> <li>• Advise the customer of independent counselling services that may be able to provide assistance.</li> <li>• Offer the option to make payment in advance (note: there is no minimum amount of payment in advance for financial hardship customers).</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 213</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.4(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>213</b>	When offering or amending an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with subclause 6.4(2).	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer and examination of the Financial Hardship Procedure, it was noted that Horizon Power will always offer customers experiencing financial hardship or payment difficulties the option to enter into a payment arrangement plan.</p> <p>The Senior Customer Service Officer also advised that each payment arrangement plan takes into account the customer's capacity to pay as well as their consumption history. The Financial Hardship Procedure provides Horizon Power and Serviceworks staff with guidance on payment arrangement plans.</p> <p>It was noted that once a payment arrangement plan has been set up through Velocity and agreed with the customer, the system automatically triggers a Payment Arrangement Confirmation letter to be generated and sent to the customer. Therefore, Horizon Power complies with requirements to provide the customer with information of their payment plan in writing within five business days of the customer accepting the payment plan.</p> <p>Sample based testing was performed on five customers who entered into a payment arrangement plan with Horizon Power. In all five instances tested, it was noted that evidence of the payment arrangement was maintained in Velocity and the corresponding Payment Arrangement Confirmation letter was issued within five business days of the customer entering into the arrangement.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 215, 216</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.6(1),(2)		<b>Reporting Type</b> NR (215), 2 (216)
<b>Obligation Description</b>		
<b>215</b>	A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer representative, for a reduction of the customer's fees, charges or debt.	
<b>216</b>	In giving reasonable consideration under subclause 6.6(1), a retailer should refer to the hardship procedures referred to in subclause 6.10(3).	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer it was noted that Horizon Power will give reasonable consideration to a request by a customer experiencing financial hardship or a relevant consumer representative for fee and debt waiving where the following can be demonstrated:</p> <ul style="list-style-type: none"> <li>• A willingness to receive energy efficiency information; and/or;</li> <li>• Ability to meet payment obligations for three consecutive weekly/fortnightly payments by the due date on the hardship payment plan and are willing to, or have sought, financial counselling as and when required.</li> </ul> <p>Each customer request will be individually assessed by the Senior Customer Service Officer and provided to the Retail Services Manager for approval. In such cases where the customer meets these requirements a maximum of 25% of the current outstanding debt may be waived.</p> <p>The Senior Customer Service Officer advised that both Horizon Power and Serviceworks staff have access to the Financial Hardship Procedure. Upon examination of the procedure it was noted the above points are reflected in the document. Additionally, Appendix A in the procedure includes an extract of the relevant clauses from the Code relating to financial hardship and payment difficulties.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 217</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.7		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>217</b>	If it is reasonably demonstrated to a retailer that a customer experiencing financial hardship is unable to meet the customer's obligations under a previously elected payment arrangement, the retailer must give reasonable consideration to offering the customer an instalment plan or revising an existing instalment plan.	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer, it was noted that where a customer experiencing financial hardship is unable to meet the financial obligations under a previously elected payment arrangement plan Horizon Power will give reasonable consideration to offering the customer a revised payment arrangement plan. In the event this occurs, Horizon Power do not amend the existing payment arrangement plan, instead the previous plan is ceased and a new revised payment arrangement plan is created.</p> <p>When Horizon Power is informed that a customer is unable to meet the obligations of a payment arrangement, the arrangement will be cancelled, which will automatically trigger a Cancellation of Payment Arrangement Letter to be sent to the customer. An example of this letter was obtained and it was noted that it instructs the customer to contact Horizon Power if the customer is having difficulties making payment or if another payment arrangement is required. Similarly, when a customer breaks the payment arrangement terms, Velocity will automatically end the arrangement and issue the customer a Broken Payment Arrangement Letter. An example of this letter was obtained and it was noted that it instructs the customer to contact Horizon Power if the customer is having difficulty making payment.</p> <p>Sample based testing was performed on five customers and it was noted that when the customer had broken a payment arrangement or informed Horizon Power of inability to meet the financial obligations of the payment arrangement, the customer was subsequently offered a revised payment arrangement.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 219</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.9(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>219</b>	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives, as referred to in subclause 5.4(3).	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer and the Retail Services Manager it was noted that Horizon Power does not prescribe a minimum payment in advance amount for any residential customers experiencing financial hardship or payment difficulties.</p> <p>According to clause 5.4(3) of the Code of Conduct, \$20 is the minimum amount for which a retailer will accept advance payments, however, for residential customers experiencing payment difficulties, Horizon Power follows clause 6.9(2) which allows a retailer to apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 220</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.10(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>220</b>	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship to meet their financial obligations and responsibilities to the retailer.	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer and examination of relevant documentation, it was noted that Horizon Power has both a Financial Hardship Policy and Financial Hardship Procedure in place. It is the Senior Customer Service Officer's responsibility to maintain and update these documents, with amendments requiring approval from the Retail Services Manager and the Customer Service Manager.</p> <p>The Financial Hardship Policy is publically available and can be obtained from the Horizon Power website. This policy is in place to assist financial hardship customers in meeting financial obligations and responsibilities to Horizon Power. The Financial Hardship Procedure is the internal document provided to Horizon Power and Serviceworks staff. This procedure outlines the guidelines, responsibility and obligations in the treatment of customer experiencing financial hardship as required by the Code.</p> <p>During the review process for both of these documents, the Senior Customer Service Officer seeks input from the Western Australia Council of Social Services (WACOSS) and the Financial Counsellors Association. Additionally, any material revisions or amendment of these documents must be submitted to the Authority. The Financial Hardship Policy and Procedure were last reviewed and submitted to the Authority in June 2015.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 221</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.10(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>221</b>	A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2).	
<b>Observations</b>		
<p>A copy of the Financial Hardship Policy was obtained and examined and found to be compliant with the prescribed criteria in clause 6.10(2) of the Code of Conduct. The below observations were made:</p> <ul style="list-style-type: none"> <li>• Customers are encouraged to contact Horizon Power if experiencing payment difficulties in regards to a bill;</li> <li>• Horizon Power will always treat customers with dignity and respect;</li> <li>• Hardship customers are eligible for the consideration of a reduction in fees, charges and debt on request;</li> <li>• The WA Economic Regulation Authority definition of financial hardship;</li> <li>• An overview of the assistance and services made available to customers experiencing financial hardship or payment difficulties as required by the Code;</li> <li>• The option to make payment via Centrepay;</li> <li>• An overview of available rebates and subsidies and where to obtain more information on concessions; and</li> <li>• Information on the availability of Interpreter and TTY services.</li> </ul> <p>The Senior Customer Service Officer and Retail Services Manager advised this policy is available on the Horizon Power website and available in large print copy on request.</p> <p>Through examination of communications with relevant consumer representatives it was noted that Horizon Power submitted the Financial Hardship Policy to the Western Australian Council of Social Services (WACOSS) and the Financial Counsellors Association for suggestions and commentary prior to its finalisation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 222</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.10(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>222</b>	A retailer must ensure that its hardship procedures comply with the criteria specified in subclause 6.10(3).	
<b>Observations</b>		
<p>The Financial Hardship Procedure was examined and the following observations were made:</p> <ul style="list-style-type: none"> <li>• The procedure provides training to Horizon Power and Serviceworks staff on issues relating to financial hardship, its impacts and how to deal sensitively and respectfully with customers experiencing financial hardship;</li> <li>• The procedure includes guidance and/or reference in relation to: <ul style="list-style-type: none"> <li>○ Identifying customers who are experiencing financial hardship;</li> <li>○ Assessing the residential customer's electricity usage and capacity to pay when creating a payment arrangement plan;</li> <li>○ Suspension of disconnection and debt recovery activities for customers experiencing financial hardship;</li> <li>○ Debt waiving activities; and</li> <li>○ Debt recovery activities.</li> </ul> </li> <li>• The procedure requires credit team staff have a direct telephone number and that number be provided to relevant consumer representatives.</li> </ul> <p>Through examination of communications with relevant consumer representatives it was noted that Horizon Power submitted the Financial Hardship Procedure to the Western Australian Council of Social Services (WACOSS) and the Financial Counsellors Association for suggestions and commentary prior to its finalisation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 223</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.10(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>223</b>	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the retailer's hardship policy, including by post, at no charge.	
<b>Observations</b>		
<p>Through discussions with Senior Customer Service Officer and the Retail Services Manager it was noted the Financial Hardship Policy is available on the Horizon Power website, and residential customer or relevant consumer representative will be directed to the website to obtain a copy. If requested, a copy of the Financial Hardship Policy will also be provided to residential customers or relevant consumer representative by email or mail at no charge.</p> <p>Based on enquiries, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 224 (2014)</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct (2014), clause 6.10(5)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>224</b>	A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures; the dates the hardship policy and hardship procedures were established; the dates the hardship policy and hardship procedures were reviewed; and the dates the hardship policy and hardship procedures were amended.	
<b>Observations</b>		
<p>Through discussions with the Senior Customer Service Officer, it was noted that the dedicated Financial Hardship functional Inbox is used to store records and communications relating to the below:</p> <ul style="list-style-type: none"> <li>• Relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures;</li> <li>• Dates the hardship policy and hardship procedures were established;</li> <li>• The dates the hardship policy and hardship procedures were reviewed; and;</li> <li>• The dates the hardship policy and hardship procedures were amended.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 225, 227</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.10(6),(8)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>225</b>	If directed by the ERA, a retailer must review its hardship policy and hardship procedures and submit the results of that review to the ERA within five business days after it is completed.	
<b>227</b>	If a retailer makes a material amendment to its hardship policy, the retailer must submit a copy of the retailer's amended hardship policy to the ERA within five business days of the amendment.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager and the Senior Customer Service Officer, it was noted that during the audit period the Authority directed Horizon Power to revise and amend the Financial Hardship Policy and Procedure. Through examination of documentation and email correspondence, it was noted that the review process and subsequent amendments were completed by Horizon Power on 23 June 2015. The revised Financial Hardship Policy and Procedure was then submitted to the Authority on the same business day and, therefore, within the five business day timeframe required by the Code.</p> <p>The Retail Services Manager advised that aside from the amendments submitted to the Authority on 23 June 2015, no other material amendments have been made to the Horizon Power Financial Hardship Policy.</p> <p>It was noted that the 2015 Performance Audit identified a non-compliance in relation to this obligation due to Horizon Power's untimely reporting of a material amendment of the Financial Hardship Policy to the Authority during the previous audit period (1 April 2013 to 31 March 2015). While this was reported, no corresponding action plan was raised.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 226</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.10(7)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>226</b>	A retailer must comply with the ERA's Financial Hardship Policy Guidelines.	
<b>Observations</b> Through discussions with the Senior Customer Officer it was noted that Horizon Power's Financial Hardship Policy and Financial Hardship Procedure comply with the Authority's Financial Hardship Policy Guidelines (August 2010).  Based on enquiries, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 228</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 6.11		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>228</b>	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	
<b>Observations</b> Through discussions with the Senior Customer Service Officer, it was noted that in rare instances a business customer may inform Horizon Power of experiencing payment difficulties. Based on an examination of email correspondence and Velocity account information relating to a business customer experiencing payment difficulties, it was noted that Horizon Power assisted the business customer into entering an alternative payment arrangement plan. The process to calculate and apply a payment arrangement plan is performed through the same process used for residential customers. The option to offer a payment arrangement plan to a business customer is considered by individual case by the Senior Customer Service Officer. The Senior Customer Service Officer also advised that business customers are not eligible to apply for a HUGS grant.  Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 229</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.1(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>229</b>	Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c).	
<b>Observations</b>		
<p>Discussions with the Retail Services Manager and examination of Horizon Power's credit management flow has determined that Horizon Power have the following processes to disconnect customers for non-payment within the obligated timeframes:</p> <ol style="list-style-type: none"> <li>1. Horizon Power sends an SMS reminder 14 business days after the invoice sent to customer.</li> <li>2. A Reminder Notice is sent to the customer 16 business days after the invoice sent to customer where the amount due is greater than \$50. The Reminder Notice advises the customer to contact Horizon Power if experiencing payment difficulties.</li> <li>3. A Disconnection Warning Notice, is sent five business days after the Reminder Notice, being 21 business days after the invoice issue date.</li> <li>4. The customer will receive a phone call five days after the Disconnection Warning Notice has been delivered, to inform the customer of their obligation to pay for the overdue account</li> <li>5. A Disconnection Warning Card service order is raised 30 business days after the invoice issue date.</li> <li>6. Disconnection service orders take approximately five business days to be processed.</li> </ol> <p>It has been noted that the SMS Reminder, Reminder Notice, and Disconnection Warning Notices have automated timeframes pre-programmed into Horizon Power's billing system, Velocity. When the disconnection service orders are raised, the Senior Customer Officer checks these individually to identify any customers registered as experiencing payment difficulties or financial hardship and will cancel the disconnection service order for these customers.</p> <p>Sample based testing of automated timeframes for two customers during the audit period, 1 April 2015 to 31 March 2017, noted that the reminder to pay bill is a standardised bill template and contained all information specified under clause 7.1(1)(a) and was sent greater than 15 days after the dispatch date of the bill, as programmed in Velocity. The disconnection warnings were sent greater than 20 business days after the dispatch date of the bill and also contained all information specified under clause 7.1(1)(a).</p> <p>Examination of the Disconnection Warning for Non-Payment noted that it excludes amounts billed less than 13 business days prior to the date of the reminder as stated in Action Plan 10/2015. Discussions with the Retail Services Manager has noted that the reminder notice is sent to the customer 16 business days after the invoice is sent to the customer so this is in compliance with the new 15 day requirement specified in the 2016 Code of Conduct.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 230</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.2(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>230</b>	A retailer must not arrange for a disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in subclause 7.2(1).	
<b>Observations</b>		
<p>Discussion with the Retail Services Manager and examination of Horizon Power's disconnection documentation determined that Horizon Power has automated credit management processes and financial hardship procedures in place to ensure that customers are not disconnected for non-payment under the prescribed circumstances:</p> <ul style="list-style-type: none"> <li>• It is less than 17 business days from the receipt of the Disconnection Warning Notice.</li> <li>• The customer account has a manual suppression in Velocity due to payment difficulties, under financial hardship or have agreed to an alternative payment arrangement.</li> <li>• The customer has made an application for a concession and the application is still pending an outcome.</li> <li>• The supply address does not relate to the bill.</li> </ul> <p>Horizon Power's policy is to not disconnect a customer unless an outstanding amount is greater than \$200.</p> <p>It is noted that the Senior Customer Officer will manually check each disconnection service order before it is actioned to prevent a customer with known payment difficulties or financial hardship from being disconnected.</p> <p>Sample based testing of five disconnections during the performance audit period, 1 April 2015 to 31 March 2017, did not identify any instances where a supply address was disconnected for non-payment within one business day after the expiry date of the period referred to in the disconnection warning.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 232</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.4(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>232</b>	Unless the conditions specified in subclause 7.4(1) are satisfied, a retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter.	
<b>Observations</b>		
Horizon Power uses best endeavours to arrange for a must-read service by contacting the customer or can arrange to bill the customer on agreed estimates. The Customer Service Policy states that Horizon Power may disconnect a customer's supply if a customer has denied Horizon Power access to the meter, under the prescribed circumstances:		
<ul style="list-style-type: none"> <li>• The customer has denied access for at least 9 consecutive months;</li> <li>• Horizon Power has at least once given the customer in writing 5 business days' notice advising next date or timeframe of a scheduled meter reading;</li> <li>• Horizon Power has given the customer an opportunity to provide reasonable alternative access arrangements;</li> <li>• Horizon Power used best endeavours to contract the customer to advise of the proposed disconnection; and Horizon Power has given the customer a disconnection warning with at least 5 business days' notice of its intention to arrange for disconnection.</li> </ul>		
Discussion with the Retail Services Manager noted that Horizon Power has not disconnected a customer for denying access to a meter during the performance audit period, 1 April 2015 to 31 March 2017.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 233</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.5		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>233</b>	A distributor who disconnects a customer's supply address for emergency reasons must provide a 24-hour emergency line and use its best endeavours to restore supply as soon as possible.	
<b>Observations</b>		
Discussion with the Retail & Community Services Manager (Carnarvon) and examination of Horizon Power Customer Service Charter, standard bill template and website determined that Horizon Power has a 24 hour emergency hotline available to customers to obtain information on the status of an emergency outage and will use its best endeavours to restore supply to the affected customer as soon as it is deemed safe and as soon as possible.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 236</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.7(2)		<b>Reporting Type</b> 1 / 2
<b>Obligation Description</b>		
<b>236</b>	<p>A retailer must undertake the actions specified in subclauses 7.7(2)(e)-(g) if a customer registered with a retailer under subclause 7.7(1) notifies the retailer:</p> <ul style="list-style-type: none"> <li>• that the person requiring life support equipment is changing supply address;</li> <li>• that the customer, but not the person requiring life support equipment, is changing supply address; of a change in contact details; or</li> <li>• That the address no longer requires registration as a life support equipment address.</li> </ul>	
<b>Observations</b>		
<p>Discussions with the Retail Services Manager noted that registering life support customers is a manual process usually performed over the phone. When a customer or representative contacts Horizon Power or Serviceworks call centre to register as a life support customer they are immediately logged as a precaution and assisted over the phone before medical confirmation is sought. Horizon Power have policies and procedures surrounding the flagging of life support customers and changes to a customer's life support details are distributed to the regional depots on a daily basis through a system generated report.</p> <p>It has been determined through discussions that Horizon Power will register a customer's supply address as a life support equipment address on the next business day if notification is received before 3.00pm on a business day or within two business days, if the notification is received after 3.00pm or on a weekend or public holiday.</p> <p>Discussions with the Regional Retail &amp; Community Manager in the Gascoyne determined that Horizon Power's regional depots will provide three business days' written notice to all customers affected by a planned outage and endeavour to make verbal contact with individual life support customers or their caregiver before a schedule outage.</p> <p>Sample based testing of 20 life support customers during the audit period 1 April 2015 to 31 March 2017 did not identify any instances of non-compliance with this obligation and all sampled requests from life support customers were actioned within the obligated timeframes. Additionally, sample based testing of 20 life support customers noted that none were de-energised due to non-payment or for other reasons during the audit period 1 April 2015 to 31 March 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1- Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 236A (2014)</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.7(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>236A (2014)</b>	Where a customer registered with a retailer under subclause 7.7(1) notifies the retailer of a change of the customer's life support equipment, or that the customer no longer requires registration as a life support customer the retailer must undertake the actions specified in subclause 7.7(2).	
<b>Observations</b>		
<p>Discussions with the Retail Services Manager noted that registering life support customers is a process usually performed over the telephone. When a customer or representative contacts Horizon Power or Serviceworks call centre to register as a life support customer they are immediately logged as a precaution and assisted over the telephone before medical confirmation is sought. Horizon Power have policies and procedures surrounding the flagging of life support customers and changes to a customer's life support details are distributed to the regional depots on a daily basis through a system generated report.</p> <p>Discussions with the Regional Retail &amp; Community Manager determined that if a customer notified a Horizon Power Regional Office to register as a life support customer or no longer require life support then the Regional Office will immediately advise a customer service representative to update the customer's account.</p> <p>It has been determined through discussions that Horizon Power will register a customer's supply address as a life support equipment address on the next business day if notification is received before 3.00pm on a business day or within two business days, if the notification is received after 3.00pm or on a weekend or public holiday as prescribed in clause 7.7(2).</p> <p>Sample based testing of 20 life support customers during the performance audit period, 1 April 2015 to 31 March 2017, noted that Horizon Power actioned all requests from life support customers within the obligated timeframes in 7.7(2).</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1- Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 237, 238</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.7(3) & 7.7(4)		<b>Reporting Type</b> 1
<b>Obligation Description</b>		
<b>237</b>	The distributor must comply with subclauses 7.7(3)(a)-(b) if a distributor has been informed by a retailer under subclause 7.7(1)(c), or by a relevant government agency, that a person residing at a customer's supply address requires life support equipment, or of a change of details notified to the retailer under subclause 7.7(2).	
<b>238</b>	If life support equipment is registered at a customers' supply address under subclause 7.7(3)(a), a distributor must comply with subclauses 7.7(4)(a) and (b).	
<b>Observations</b>		
<p>Discussions with the Retail Services Manager noted that registering life support customers is a manual process usually performed over the phone. When a customer or representative contacts Horizon Power or Serviceworks call centre to register as a life support customer they are immediately logged as a precaution and assisted over the phone before medical confirmation is sought. Horizon Power have policies and procedures surrounding the flagging of life support customers and changes to a customer's life support details are distributed to the regional depots on a daily basis through a system generated report.</p> <p>Review of the Life Support advanced meter process and Life Support procedure for flagging a customer in Velocity noted that Horizon Power will register a customer's supply address as a life support equipment address at the time of the request and on the next business day if notification is received before 3.00pm on a business day or within two business days, if the notification is received after 3.00pm or on a weekend or public holiday.</p> <p>Discussions with the Regional Retail &amp; Community Manager in the Gascoyne determined that Horizon Power's regional depots will provide a Planned Power Interruption Notification Card to all customers affected at least three business days' prior to a planned outage and endeavour to make verbal contact with individual life support customers or their caregiver before a schedule outage.</p> <p>Sample based testing of 20 life support customers during the audit period 1 April 2015 to 31 March 2017 did not identify any instances of non-compliance with this obligation and all sampled requests from life support customers were actioned within the obligated timeframes. There are no instances where a relevant government agency has referred a life support customer to Horizon Power. Additionally, sample based testing of 20 life support customers noted that none were disconnected due to non-payment or for other reasons during the audit period 1 April 2015 to 31 March 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1- Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 241</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 7.7(7)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>241</b>	A retailer or a distributor must remove the customers' details from the life support equipment register in the circumstances and timeframes specified in subclause 7.7(7).	
<b>Observations</b>		
Discussions with the Retail Services Manager noted that there have been no instances where a life support customer has informed Horizon Power that they no longer require life support or that they are vacating the supply address. Once a customer vacates a supply address and therefore closes the account, the life support customer's details are automatically removed from the life support register as this register only shows active accounts.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, due to no events in the audit period, compliance was not rated.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 242</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 8.1(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>242</b>	A retailer must arrange to reconnect a customer's supply address if the customer remedies their breach, makes a request for reconnection and pays the retailer's reasonable charges (if any) for reconnection, or accepts an offer of an instalment plan for the retailer's reasonable charges.	
<b>Observations</b>		
Discussion with the Retail Services Manager, supplemented by examination of Horizon Power's Disconnection for non-payment and Reconnection processes and procedures, determined:		
<ul style="list-style-type: none"> <li>• A customer disconnected for non-payment will be reconnected if the customer pays the outstanding balance owed, agrees to a payment plan or the customer is assessed as experiencing payment difficulties or financial hardship.</li> <li>• An occupant of a supply address disconnected for non-application will be reconnected when an account is established with Horizon Power and the occupant becomes a customer.</li> </ul>		
Sample based testing of five customers during the audit period 1 April 2015 to 31 March 2017 noted that Horizon Power reconnected a customer's supply address within three business days after the customer remedied the non-compliance.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 244</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 8.2		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>244</b>	A distributor must reconnect the customer's supply address on the request of a retailer within the timeframes specified in subclause 8.2(2).	
<b>Observations</b>		
<p>Discussion with the Retail Services Manager and review of Horizon Power documentation noted that the reconnection timeframe for Horizon Power is within five business days of receipt of the request by Horizon Power or Serviceworks call centre, if the request is received prior to 3.00pm on a business day; and within six business days of receipt of request, if the request is received after 3.00pm on a business day, or on a Saturday, Sunday or public holiday.</p> <p>The automated reconnection process takes approximately 10 minutes for the advanced meters once the reconnection service order is raised through Velocity and mData21. The customer is then instructed to push a button on the meter to reconnect the premise. For any remaining non-advanced meters, a service order is processed immediately for the Regional Office to action within the required five business days or six days if the request is received after 3.00pm</p> <p>Sample based testing of 20 customers during the audit period 1 April 2015 to 31 March 2017 noted that Horizon Power reconnected a customer's supply address within the obligated timeframes when the customer remedied the non-compliance. The Senior Meter Data officer uses a Qlikview report to monitor reconnections taking greater than one business day.</p> <p>Discussions with the Retail and Community Services Manager noted that Horizon Power have addressed Action Plan 12/2015 and that the customer service team will continue to improve on weekly reporting, root cause analysis and process enhancements will be implemented as identified. It has been noted following the completion of the Meter Exchange Project, the advanced meters will incorporate remote facilitation of reconnections and the likelihood of non-compliance will be further reduced.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 245</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.1(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>245</b>	A distributor may only operate a pre-payment meter and a retailer may only offer a pre-payment meter service in an area that has been declared by the Minister by notice published in the Government Gazette.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer and examination of the compliance report in 2015/16 determined that Horizon Power sought clarification from the Authority that resulted in the published Gazette authorising Horizon Power to offer pre-payment metering in its license area. Horizon Power has been working with the Public Utilities Office (PUO) since early 2015 to change regulation with the effect of allowing Horizon Power to deploy pre-payment meters anywhere in its licence area. This regulation change was approved in July 2015 and subsequently publicised in the Government Gazette in January 2016.</p> <p>Examination of Treasury Ruling (TR301) in the Electricity Industry (Code of Conduct) (Pre-payment Meter Areas) Notice 2016 noted that in relation to pre-payment meter areas, the Horizon Power licence area is an area in which a distributor may operate a pre-payment meter and a retailer may offer a pre-payment meter service.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 247</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.2(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>247</b>	A retailer must establish an account for each pre-payment meter operating at a residential customer's supply address.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer determined that there are processes and procedures in place to establish a pre-payment meter account on Velocity and SGCIS over the phone with a customer. Where a customer has been referred to Horizon Power by the Housing Authority to establish a pre-payment meter service then the same information is collected on a manual Account Establishment Form completed by the customer and submitted to Horizon Power for processing.</p> <p>Sample based testing of five pre-payment meters during the audit period, 1 April 2015 to 31 March 2017, noted each pre-payment meter operating at a residential customer's supply address had an account established on SGCIS at the customer's supply address.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 248 (2014)</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.2(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>248 (2014)</b>	A retailer must not, in relation to the offer of, or provision of a pre-payment meter service, engage in conduct that is misleading, deceptive or likely to mislead or deceive, or that is unconscionable, or exert undue pressure on a customer, nor harass or coerce a customer.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer noted that customers can choose to call Horizon Power's pre-payment meter service hotline without charge to establish a pre-payment meter account. The Pre-payment Meter Office follows a standard script on Velocity when setting up a new pre-payment customer and an open question over the phone "<i>Do you want to be prepaid?</i>" is initially posed to the customer to obtain consent before progressing with the pre-payment question flow.</p> <p>Inspection of the Customer Service Charter (June 2016) noted that it outlines the customer's right and obligations and commitment to providing the customer with courteous, professional and prompt service.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 251, 252</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.3(3)(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>251</b>	A retailer must ensure that the following information is shown on, or directly adjacent to, a residential customer's pre-payment meter: the positive or negative financial balance of the pre-payment meter within one dollar (\$1) of the actual balance; whether the pre-payment meter is operating on normal credit or emergency credit; a telephone number for enquiries; and the distributor's 24-hour telephone number for faults and emergencies.	
<b>252</b>	On request and at no charge, a retailer must give a pre-payment meter customer the following information: total energy consumption; average daily consumption; and the average daily cost of consumption for the previous two years or since the commencement of the pre-payment meter contract (whichever is shorter), divided into quarterly segments.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer determined that where a pre-payment customer requests information on energy consumption, Horizon Power will endeavour to provide a usage breakdown at no charge. Pre-payment meter information is mailed out to a customer at the time of establishment over the phone as a pre-payment meter customer.</p> <p>Examination of photographs of pre-payment meters determined that Horizon Power has provisions in place to show the following information directly or adjacent to a residential customer's pre-payment meter:</p> <ul style="list-style-type: none"> <li>• the positive or negative financial balance of the pre-payment meter within one dollar (\$1) of the actual balance;</li> <li>• whether the pre-payment meter is operating on normal credit or emergency credit;</li> <li>• a telephone number for enquiries; and</li> <li>• the distributor's 24-hour telephone number for faults and emergencies.</li> </ul> <p>Sample based testing of five pre-payment customers during the audit period, 1 April 2015 to 31 March 2017, noted that Horizon Power did not charge any pre-payment customer for requesting information of their energy consumption and there have been no recorded instances where a pre-payment customer has requested information of the average daily cost of consumption for the previous two years, or since the commencement of the pre-payment meter contract in quarterly segments during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 253</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.3(5)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>253</b>	If the recharge facilities available to a residential customer change from the initial recharge facilities referred to in subclause (2)(r), a retailer must use reasonable endeavours to notify a pre-payment meter customer in writing or by electronic means within 10 business days of the change.	
<b>Observations</b>		
Discussion with the Pre-payment Meter Officer noted that Horizon Power will mail or issue a text message to customers affected by a change in the local recharge facilities within 10 business days of being made aware of the change. A listing of current recharge facilities can be found in the pre-payment information pack issued upon account establishment. There were no changes to recharge operators during the performance audit period, 1 April 2015 to 31 March 2017.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls, however, due to no events in the audit period, compliance was not rated.		
<b>Adequacy of Controls Rating</b>	A – adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 254, 255</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.4(1), 9.4(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>254</b>	If a pre-payment meter customer notifies a retailer that it wants to replace or switch a pre-payment meter to a standard meter, the retailer must send the specified information to the customer, and arrange with the relevant distributor to remove or render non-operational the pre-payment meter and replace or switch the pre-payment meter to a standard meter within one business day of the request.	
<b>255</b>	A retailer must not charge for reversion to a standard meter if a pre-payment customer is a residential customer and that customer, or their nominated representative, requests reversion of a pre-payment meter within three months of its installation or the date the customer agreed to enter into the pre-payment contract, whichever is later.	
<b>Observations</b>		
Discussion with the Pre-payment Meter Officer noted that a Welcome Letter is sent out to all new customer regardless of the tariff. Therefore, if an existing customer requests to switch from pre-payment to credit billing, no further information is required to be sent to the customer.		
Horizon Power do not charge a customer for changing meters from pre-payment to credit. The advanced meters have the ability to alternate between pre-payment and credit modes electronically and does not require a site visit. Inspection of the schedule of fees and charges on Horizon Power's website did not identify any change for a switch in tariff between pre-payment and credit.		
Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls, however, due to no events in the audit period, compliance was not rated.		
<b>Adequacy of Controls Rating</b>	A – adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 259</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.6		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>259</b>	A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in subclause 9.6.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer noted that all pre-payment meters have \$20 emergency credit that is programmed for use outside of Monday to Friday, 9.00am to 2.00pm. If no additional credit has been applied during business hours then the pre-payment meter service will temporarily disconnect supply of electricity. Once a pre-payment customer pays for a recharge following suspension, it takes up to 10 minutes for the pre-payment meter to re-activate; and the customer is instructed to restore power by pressing button two on the meter.</p> <p>It is noted that Horizon Power use SGCIS Financial reports to inform of the number of instances where a pre-payment meter customer has been disconnected and the duration of those disconnections.</p> <p>Sample based testing of five prepayment accounts during the performance audit period, 1 April 2015 to 31 March 2017, noted time and date stamps on SGCIS are recorded against each instance a pre-payment meter temporarily disconnected and then recommenced supply of electricity.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 260</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.7(a), (b) & (d)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>260</b>	A retailer must ensure that: at least one recharge facility is located as close as practicable to a pre-payment meter, and in any case no further than 40 kilometres away; a pre-payment meter customer can access a recharge facility at least three hours per day, five days a week; and the minimum amount to be credited by a recharge facility does not exceed \$20 per increment.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer noted that a pre-payment recharge can be purchased from road houses and convenience stores which open for more than the required period located less than 40 kilometres from pre-payment communities and amounts are allocated to the customer's SGCIS pre-payment account. The minimum purchase is \$10 per increment.</p> <p>Sample based testing of five pre-payment recharge facilities during the audit period, 1 April 2015 to 31 March 2017, noted that the distance between recharge facilities and the pre-payment meters in the area were less than 10 kilometres and each of the facilities were open seven days and a minimum of 58.5 hours per week.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 261</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.8		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>261</b>	If a pre-payment meter customer demonstrates to a retailer that the customer is entitled to receive a concession, the retailer must ensure that the pre-payment meter customer receives the benefit of the concession.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer and inspection of pre-payment work instructions determined that Horizon Power have processes and procedures in place to apply concessions for eligible pre-payment customers. When a customer establishes a pre-payment account with Horizon Power the Pre-payment Meter Officer is prompted to request a Centrelink Reference Number (CRN) from the customer. Rebates are applied directly to the pre-payment advanced meter between Monday and Friday.</p> <p>Sample based testing of five prepayment customers during the performance audit period, 1 April 2015 to 31 March 2017, noted that rebates were applied directly to the pre-payment meter account of all sampled pre-payment customers.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 262</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.9(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>262</b>	If requested by a pre-payment meter customer, a retailer must make immediate arrangements to check the metering data; test the pre-payment meter; and/or arrange for a test of the metering installation at the connection point.	
<b>Observations</b>		
<p>Discussions with the Pre-payment Meter Officer noted that there are policies and procedures in place where a customer requests that Horizon Power test a pre-payment meter.</p> <p>Walkthrough of one pre-payment customer during the audit period, 1 April 2015 to 31 March 2017, noted as requested by the customer, Horizon Power immediately arranged to check the customer's meter data and arranged for the testing of a pre-payment meter. There was only one instance of where a customer requested a pre-payment meter to be tested during the audit period.</p> <p>Based on examination of the documentation, it was concluded that there are adequate controls with no improvements needed, and there was compliance with no impact on the customers or third parties during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 264</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.9(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>264</b>	If a pre-payment meter is found to be inaccurate or not operating correctly, a retailer must: immediately arrange for the repair or replacement of the pre-payment meter; correct any overcharging or undercharging; and refund any charges payable by a customer for testing the pre-payment meter.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer noted that there are policies and procedures in place where a pre-payment meter has failed after a meter test and these are in line with the requirements of clause 9.9(4). If a pre-payment meter is found to be inaccurate or not operating correctly Horizon Power will arrange for a repair or replacement of the pre-payment meter, correct any overcharging or undercharging, and will refund any charges payable by the customer for testing the pre-payment meter.</p> <p>However, it was noted that there are no instances where this has occurred for pre-payment meters during the audit period, 1 April 2015 to 31 March 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls, however, due to no events in the audit period, compliance was not rated.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 265, 267, 268</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.10(1), 9.10(3) & 9.10(4)		<b>Reporting Type</b> 2 (265, 267), NR (268)
<b>Obligation Description</b>		
<b>265</b>	Subject to a pre-payment meter customer notifying a retailer of the proposed vacation date, the retailer must ensure that the pre-payment customer can retrieve all remaining credit at the time that customer vacates the supply address.	
<b>267</b>	The retailer must pay the amount in accordance with the pre-payment meter customer's instructions within 12 business days of receiving the instructions.	
<b>268</b>	If a retailer does not receive reimbursement instructions within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	
<b>Observations</b>		
<p>Discussion with the Pre-payment Meter Officer noted that pre-payment customers can retrieve all remaining credit at the time that the customer vacates the supply address or have the amount in credit transferred to another account. If Horizon Power does not receive reimbursement instructions within 20 business days of making the request, Horizon Power will credit the amount overcharged to the customer's account.</p> <p>Sample based testing of five pre-payment customers that requested a refund of a credit during the performance audit period, 1 April 2015 to 31 March 2017, noted that all pre-payment customers had amounts in credit returned as requested via cheque or transferred to a nominated account within 12 business days upon receiving instructions.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 271</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clauses 9.11(2) & (3)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>271</b>	If a retailer is informed by a pre-payment meter customer that the customer is experiencing payment difficulties or financial hardship, or the retailer identifies the customer as having been disconnected in the manner specified in subclause 9.11(2) (b), the retailer must, subject to subclause 9.11(3), use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in subclause 9.11(2) (d)-(g).	
<b>Observations</b>		
<p>Discussions with the Pre-payment Meter Officer and Financial Hardship Officer noted that Horizon Power has not had any instances during the audit period 1 April 2015 to 31 March 2017 where a pre-payment meter customer has informed them that the customer is experiencing payment difficulties or financial hardship. If a pre-payment customer were to notify Horizon Power that they are experiencing financial hardship then there are standard processes and procedures in place, however, the pre-payment customer would not be eligible for the Hardship Utilities Grant Scheme (HUGS).</p> <p>Inspection of Financial Hardship Work Instructions and Financial Hardship Policy noted that Horizon Power has processes and policies in place to refer customers experiencing payment difficulties or financial hardship to the relevant financial assistances programs, consumer representatives and counselling services. However, where the residential pre-payment meter customer has been disconnected two or more times in a given one-month period for longer than 120 minutes on each occasion, then Horizon Power is not obligated to provide such information if this information has already been provided in the preceding 12 months.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls, however, due to no events in the audit period, compliance was not rated.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate Controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 272</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.1(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>272</b>	A retailer must give notice of any variations in its tariffs to each of its customers affected by the variation no later than the next bill in the customer's billing cycle.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager and examination of relevant documentation, it was noted Horizon Power has a process in place to ensure customers affected by any variations in tariffs are informed of the variation no later than the next bill in the customer's billing cycle. During the audit period there were two tariff variations.</p> <p>Once confirmation of the tariff variation has been received from the Public Utility Office, Horizon Power will inform Computershare; Horizon Power's billing and distribution service provider. Computershare will be advised of what wording needs to be added in order to appropriately inform customers of the tariff variation and this text will be applied to all relevant bills which are then distributed to customers. The Retail Services Manager also advised that if confirmation from the Public Utility Office is obtained early enough, the information will also be present on the prior bill too. An example bill was obtained and examined, and it was noted that an appropriate message was present on the bill informing the customer of the tariff variation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 273, 274</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.1(2),(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>273</b>	On request and at no charge, a retailer must provide a customer with reasonable information on its tariffs, including alternative tariffs.	
<b>274</b>	A retailer must give a customer the information requested on tariffs within eight business days of the date of receipt and, if requested, provide the information in writing.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager and examination of relevant documentation, it was noted that Horizon Power has a process in place to ensure that, upon request, customers are provided with reasonable information on its tariffs, including alternative tariffs at no charge.</p> <p>CSRs can provide information on tariffs to customers over the phone. Additionally, customers can be referred to the "Pricing" section of the Horizon Power website where the customer can also obtain a copy of the Electricity Tariffs and Charges Brochure. CSRs will aim to provide information over the phone immediately. In rare instances where a customer requests the tariff information in writing, the CSR will email information to the customer while speaking to them over the phone. Where requested by mail, Horizon Power will request Computershare mail the information directly to the customer, any mail requests with Computershare are processed overnight, therefore, meeting the eight business day timeframe requirements prescribed by the Code.</p> <p>A suite of training modules is offered to all Serviceworks staff and included in this suite of training is a module on the tariffs. Training is monitored and tracked in a spreadsheet which is updated and reviewed on a monthly basis.</p> <p>The Retail Services Manager advised that alternative tariffs are not offered to small use residential customers.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 279</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.3		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>279</b>	On request and at no charge, a retailer must provide a residential customer with information on the types of concessions available to the residential customer and the name and contact details of the organisation responsible for administering those concessions (if not the retailer).	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted that Horizon Power have a process in place to provide information on the types of concessions available to residential customers. CSRs are trained to direct customers seeking information on concessions to the "Concessions, rebates and subsidies" section of the Horizon Power website. The website provides general information on the various concessions, rebates, subsidies and grants offered as well as the contact details of the relevant party that administers the concession. In instances where the concession is administered by Horizon Power, Horizon Power's call centre telephone number is provided. Upon request, information on concessions, rebates and subsidies can also be sent to a customer via mail or email at no charge.</p> <p>Based on enquiries, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 280</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.3A		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>280</b>	At least once a year, a retailer must provide a customer with written details of the retailer's and distributor's obligations to make payments to the customer under Part 14 of this Code and under any other legislation in Western Australia, including the amount of the payment and the eligibility criteria for the payment.	
<b>Observations</b>		
<p>Through discussions with Retail Services Manager, it was noted that Horizon Power provide customers with written details on the obligation to make service standard payments at least once a year. The relevant service standard payment information is posted at least once a year on the 'On the Horizon' newsletter and this newsletter is attached to all customer bills.</p> <p>The 2015 Performance Audit identified that Horizon Power had not met this obligation as it did not appropriately publish this requirement. Action Plan 15/2015 was raised, and it was agreed that Horizon Power management ensure that the obligations to make payments under Part 14 of the Code are published in the 'On the Horizon' newsletter. Copies of the newsletters were examined and it was noted that service standard payment obligations were published twice during the audit period as required.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 281</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.4		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>281</b>	On request and at no charge, a retailer must give, or make available to, a customer general information on cost effective and efficient ways to utilise electricity; and the typical running costs of major domestic appliances.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted that Horizon Power will provide general information on cost effective and efficient ways to utilise electricity and the typical running costs of major domestic appliances upon request and at no charge to the customer. In the first instance customers that contact Horizon Power seeking information will be directed to the 'Being energy efficient' section of the website. Additionally, depending on the type of information requested, the CSR may provide advice for being more energy efficient over the phone to the customer.</p> <p>Based on enquiries and examination of the Horizon Power website, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 282, 283</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.5 & 10.6		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>282</b>	If asked by a customer for information relating to the distribution of electricity, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	
<b>283</b>	On request and at no charge, a distributor must provide a customer with the information specified in subclause 10.6.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted that upon request, Horizon Power will provide the information required in clause 10.6 of the Code, this includes:</p> <ul style="list-style-type: none"> <li>• information on the distributor’s requirements in relation to the customer’s proposed new electrical installation, or changes to the customer’s existing electrical installation, including advice about supply extensions;</li> <li>• an explanation for any unplanned or approved change in the quality of supply of electricity outside of the limits prescribed by law;</li> <li>• an explanation for any unplanned interruptions to electricity supply;</li> <li>• advice on protecting metering equipment;</li> <li>• advice on the customer’s electricity usage so that it does not interfere with the operation of a distribution system or with supply to any other electrical installation;</li> <li>• general information on safe use of electricity;</li> <li>• general information on quality of supply; and;</li> <li>• general information on reliability of supply.</li> </ul> <p>The Retail Services Manager advised that depending on the information being requested, the CSR will aim to address the enquiry over the phone or alternatively refer the customer to the Horizon Power website.</p> <p>Based on enquiries, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 284, 285, 286</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.7(1),(2),(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>284</b>	On request, a distributor must provide a customer with their consumption data.	
<b>285</b>	If a customer requests their consumption data under subclause 10.7(1), the distributor must provide the information at no charge in the circumstances specified in subclause 10.7(2) (a)-(b).	
<b>286</b>	A distributor must provide a customer with the requested consumption data within 10 business days of the receipt of the request or, within 10 business days of receipt of payment of the distributor's reasonable charge for providing the consumption data, if payment is required and requested by the distributor within two business days of the request.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager it was noted Horizon Power has a process in place to provide customer consumption data when requested. CSRs will aim to provide the requested information immediately over the phone. If the customer requests consumption data in writing, the CSR will trigger the email or mail to be sent while speaking to the customer. The Retail Services Manager advised that in no circumstances would Horizon Power charge a customer for the provision of consumption data. Horizon Power may also perform a more in-depth analysis on customer consumption data if deemed necessary or if the customer requests so and Horizon Power considers this request appropriate.</p> <p>CSRs will promote the use of My Account during telephone calls with customers requesting billing or consumptions data. Customers can log into My Account and view historical billing and consumption data. A suite of training modules is offered that to Serviceworks staff and a number of these modules encompass consumption information. Training is monitored and tracked in a spreadsheet which is updated and examined on a monthly basis.</p> <p>Sample based testing was performed on five instances where a customer requested historical billing and consumption data in writing for a period less than the previous two years or in relation to a dispute. It was noted that in all five instances billing and consumption data information was emailed to the customer on the day the request was received, within 10 business days.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 287</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.7(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>287</b>	A distributor must keep a customer's consumption data for seven years.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager it was noted that all data relating to customer consumption is logged and stored within Velocity. All information in Velocity is backed up and indefinitely maintained on the system with protocol being to never destroy any information/data stored in Velocity. A copy of the Serviceworks Customer Care, Billing &amp; CIS Service Agreement was obtained and examined, and it was noted that, as per the agreement, Serviceworks will comply with the provisions of the State Records Act 2000. All customer bills which contain billing and consumption data are maintained on 'Viewpoint', and through this database all historical bills (and other communications) sent to the customer can be viewed and re-sent upon request and at no charge.</p> <p>Based on enquiries, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 288, 289</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.8(1),(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>288</b>	On request, a distributor must inform a customer how the customer can obtain information on distribution standards and metering arrangements prescribed under the specified Acts that are relevant to the customer or adopted by the distributor.	
<b>289</b>	A distributor must publish information on distribution standards and metering arrangements on its website.	
<b>Observations</b>		
<p>It was noted that upon request, a customer will be informed that information on distribution standards and metering arrangements can be obtained from the Horizon Power website. Through examination and consideration of the Horizon Power website, it was noted that the website provides details on Horizon Power's electricity supply obligations and voltage frequency and tolerance limits for electricity supply. Additionally, it was identified that the website outlines Horizon Power's general metering requirements with the purpose to provide the electrical consulting and electrical contracting industry information on metering and connecting a customer. The website also provides reference to the Approved Horizon Power Mandatory Link Criteria and the Horizon Power Metrology Procedure, both of which are approved by the Authority.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 290</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.9		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>290</b>	To the extent practicable, a retailer and distributor must ensure that any written information that must be given to a customer by the retailer or distributor or its electricity marketing agent under the Code of Conduct is expressed in clear, simple, concise language and in a format that is easy to understand.	
<b>Observations</b>		
<p>Through examination and consideration of the various written information given to customers on the Horizon Power website and within the Customer Charter, it was noted that written information is expressed to the customer in clear, simple, concise language and in a format that is easy to understand to the extent that is practicable.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 291, 292, 293 (2014)</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct (2016), clause 10.10(1),(2) Code of Conduct (2014), clause 10.10(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>291</b>	On request, a retailer and a distributor must inform a customer how to obtain a copy of the Code of Conduct.	
<b>292</b>	A retailer and distributor must make electronic copies of the Code of Conduct available on their websites, at no charge.	
<b>293 (2014)</b>	A retailer and a distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their respective offices.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted Horizon Power have a process in place to ensure that a copy of the Code is appropriately provided to customers upon request and at no charge. Once a customer has agreed to enter into an agreement with Horizon Power and the CSR has logged the new connection within Velocity, the system will automatically trigger a Welcome Letter to be sent to the customer. This letter states that a copy of the Code of Conduct for the Supply of Electricity to Small Use Customers can be obtained on the Horizon Power website. If a customer requests information on where to obtain a copy of the Code, a CSR will direct them to the Horizon Power website.</p> <p>The Retail Services Manager also advised that a copy of the Code of Conduct will be provided to a customer via email or mail upon request and at no charge. Additionally, physical copies of the Code of Conduct are made available at regional customer service premises along with a suite of other Horizon Power brochures.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 294</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.11(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>294</b>	On request and at no charge, a retailer and a distributor must make services available to a residential customer to assist the residential customer to interpret information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	
<b>Observations</b>		
<p>Through examination of the Horizon Power Customer Charter, example customer bill, reminder notice and disconnection warning, it was noted that Horizon Power offers services to assist residential customers to interpret information, including multi-lingual and TTY service. Discussions with the Retail Services Manager revealed that these services are made available at no charge to the customer. Upon request, Horizon Power will also provide large print copies to customers at no charge.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 295</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.11(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>295</b>	For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2) on its bills and bill-related information, reminder notices and disconnection warnings.	
<b>Observations</b>		
Through examination of an example residential customer bill, reminder notice and disconnection warning, it was noted that TTY and Interpreter Services telephone numbers are present. Additionally, it was noted that the National Interpreter Symbol along with the words "Interpreter Services" are also found on these documents.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 296, 297</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.12(1),(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>296</b>	On request and at no charge, a distributor must advise a customer of the availability of different types of meters, as well as their suitability for the customer's supply address, purpose, costs, and installation, operation and maintenance procedures.	
<b>297</b>	On request, a retailer must advise a customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	
<b>Observations</b>		
Through discussions with the Retail Services Manager, it was noted that only one type of meter is offered to small use customers. Horizon Power now only offer the advanced meters, which can be setup as revenue meters or pre-payment meters. In the event that a customer requests information related to metering, CSRs will direct the customer to the "Metering services" or "Reading my meter" section of the Horizon Power website. On the Horizon Power website, customers can obtain a copy of the Horizon Power Metrology Procedure. The Retail Services Manager advised CSRs are provided with training that covers various information related to metering and, where possible, CSRs will aim to provide information requested by customers over the phone. CSRs may also direct customer enquiries to the Customer Service Metering team located in the Bentley office.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 298, 482</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82 Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Code of Conduct, clause 12.1(1) Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 25(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>298</b>	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	
<b>482</b>	A document setting out a distributor's or transmitter's complaint handling process must contain the specified information.	
<b>Observations</b>		
<p>Through discussions with the Retail &amp; Community Manager and examination of relevant documentation, it was noted that Horizon Power have an internal process in place for handling complaints and resolving disputes, the following observations were noted:</p> <ul style="list-style-type: none"> <li>• The Processing Customer Complaints Work Instructions has been developed to assist Horizon Power staff to log and process customer complaints.</li> <li>• The Serviceworks Complaints Process Work Instructions is a procedure that has been developed to guide Serviceworks Management in handling complaints from Horizon Power Customer Care Customers.</li> <li>• The Ombudsman Complaints Work Instructions have been developed to assist staff with the steps required to escalate a complaint to the Energy Ombudsman.</li> <li>• When a customer contacts Horizon Power with a complaint it will initially be responded to by a CSR. Where possible the CSR will provide a response accordingly. Any complaint that cannot be immediately addressed will be escalated to a Team Leader or Senior CSR to handle the complaint. If the complaint cannot be addressed by the Team Leader or Senior CSR, it will be escalated to a customer service representative in the Bentley office. If required, a complaint will be referred to the Energy Ombudsman.</li> <li>• All complaint details are documented within Velocity, including complaints resolved immediately by CSRs.</li> <li>• A daily report of all current open complaints logged in Velocity is automatically distributed to the Horizon Power Customer Care team. This report details the current complaints that remain open in Velocity, how long since received, who the complaint has been assigned to, as well as other details on the complaint.</li> <li>• A suite of training modules is offered to all Serviceworks staff and included in this suite of training is a module on the complaints process. For this training, a Complaints Process Overview was created specifically for Serviceworks staff. Training is monitored and tracked in a spreadsheet which is updated and reviewed on a monthly basis.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 299</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 12.1(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>299</b>	The complaints handling process under subclause 12.1(1) must comply with the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost.	
<b>Observations</b>		
<p>A copy of the Customer Charter, Processing Customer Complaints Work Instructions and Serviceworks Complaints Process Work Instructions was obtained and examined. It was noted that these documents were written in a way that complies with Australian Standard AS/NZS 10002:2014. These documents outline the complaints lodging and handling process as well as the timeframe requirements to respond to a complaint and the complaint escalation process.</p> <p>Information on Horizon Power's complaints handling process is available to all customers at no charge on the "Feedback and complaints" section of the Horizon Power website as well as in the Customer Charter which is also available on the website.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 301</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 12.1(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>301</b>	On receipt of a written complaint by a customer, a retailer or distributor must acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	
<b>Observations</b>		
<p>Through discussions with the Retail &amp; Community Manager, it was noted that Horizon Power will respond to all complaints within 20 business days. Horizon Power aim to acknowledge all complaints within two business days and will pay customers a \$20 service standard payment in instances where Horizon Power fail to acknowledge a complaint within five business days, therefore complying with the Code's requirement to acknowledge customer complaints within 10 business days. A copy of the Customer Charter was obtained and examined and it was noted that these comments were reflected in the charter.</p> <p>Through discussions with the Customer Service Officer and examination of Horizon Power's Service Standard Payments Claims Register, it was identified that no instances of untimely acknowledgement or response to a complaint had occurred during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 302</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 12.2		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>302</b>	A retailer must comply with any guideline developed by the ERA to distinguish customer queries from complaints.	
<b>Observations</b>		
<p>Through discussions with the Retail &amp; Community Manager it was noted that Horizon Power will distinguish between enquiries and complaints when responding to calls from customers. Both the Serviceworks Complaints Process Work Instructions and the Complaints Process Overview, which is provided to Serviceworks staff during training, clearly distinguish between enquiries and complaints. Upon further inspection of these documents, it was revealed that the definitions used align to the definitions prescribed in the Authority's Customer Complaints Guidelines (October 2008).</p> <p>The aforementioned Complaints Process Overview is provided as a part of a suite of training modules that is offered to all Serviceworks staff and included in this suite of training is a module on the complaints process. Training is monitored and tracked in a spreadsheet which is updated and reviewed on a monthly basis.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 303, 481</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82 Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Code of Conduct, clause 12.3 Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 25(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>303</b>	On request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer to utilise the respective complaints handling processes.	
<b>481</b>	A distributor or transmitter must make available, at no cost, a copy of a document setting out its complaint handling processes to a small customer who makes a complaint to the distributor or transmitter or who asks to be given such information.	
<b>Observations</b>		
<p>Through discussions with the Retail &amp; Community Manager, it was noted that Horizon Power will direct customers who are seeking information that will assist them in utilising the complaints handling process to the Horizon Power website or the Customer Charter. The Horizon Power website and the Customer Charter are available to all customers at no charge.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 304</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 12.4		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>304</b>	When a retailer, distributor or electricity marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be appropriate to deal with the complaint (if known).	
<b>Observations</b>		
Through discussions with the Retail & Community Manager, it was noted that in the rare instances where a complaint is received outside of the scope of Horizon Power's functions, the customer will be referred to the relevant government department or organisation (if known).		
Based on enquiries, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 308</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 14.1(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>308</b>	Subject to clause 14.6, a retailer must pay the stated compensation to a customer if the customer is not reconnected in accordance with the timeframes specified in Part 8.	
<b>Observations</b>		
Through discussions and process walkthroughs with the Customer Service Officer it was identified that Horizon Power will make service standard payments to customers when supply is not reconnected within the timeframes stipulated in Part 8. In these instances payments of \$60 per day of late reconnection, capped at a maximum of \$300. Through examination of the Customer Charter, it was noted that is requirement is also reflected in the document.		
During the audit period Horizon Power made total payments of \$3,760 in respect of 20 customers, who were not connected within the required time frame.		
Sample based testing of five customers was performed and in all instances a service standard payment was made to the correct customer that was due to receive one under 14.1. In all instances the correct amount was also paid to the customer.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 310</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 14.2(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>310</b>	Subject to clause 14.6, a retailer must pay the specified compensation to a customer if a retailer fails to comply with any of the procedures specified in Part 6 and Part 7 prior to arranging for disconnection or disconnecting the customer for failure to pay a bill, or arranges for disconnection or disconnects the customer for failure to pay a bill in contravention of clauses 7.2, 7.3, 7.6 or 7.7.	
<b>Observations</b>		
<p>Through discussions and process walkthroughs with the Customer Service Officer it was identified that Horizon Power will make service standard payments to customers for:</p> <ul style="list-style-type: none"> <li>• Wrongful disconnections in contravention of Code of Conduct clauses 7.2, 7.3, 7.6 or 7.7; or</li> <li>• failure to comply with procedures prescribed under Code of Conduct clauses 6.8, 6.9, 6.10, 7.4, 7.5, 7.6, 7.7(1)(a), 7.7(1)(b), 7.7(2)(a) and 7.7(2)(c) prior to arranging for disconnection or disconnecting a customer for failure to pay a bill.</li> </ul> <p>In these instances payments of \$100 for each day the customer is wrongfully disconnected will be made with no maximum payment cap being applied. Through examination of the Customer Charter, it was noted that is requirement is also reflected in the document.</p> <p>During the audit period, Horizon Power made service standard payments of \$26,100 in respect of 62 customers who were wrongfully disconnected.</p> <p>Sample based testing was performed on five wrongful disconnections and in all instances a service standard payment was made to the correct customer that was due to receive one under 14.2. In all instances the correct amount was also paid to the customer.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 312</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 14.3(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>312</b>	Subject to clause 14.6, a retailer must pay the customer \$20 if the retailer has failed to acknowledge or respond to a complaint within the timeframes prescribed in subclause 12.1(4).	
<b>Observations</b>		
<p>Through discussions and process walkthroughs with the Customer Service Officer it was identified that Horizon Power will make service standard payments to customers when Horizon Power have failed to acknowledge a complaint within five business days (above the code requirement of 10 business days) or respond to a complaint within 20 business days. In these instances a \$20 payment is made to the customer. Through examination of the Customer Charter, it was noted that this requirement is also reflected in the document.</p> <p>Through discussions with the Customer Service Officer and examination of Horizon Power’s Service Standard Payments Claims Register, it was identified that no instances of untimely acknowledgement or response to a complaint had occurred during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls however due to no events in the audit period, compliance was not rated.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 315, 316</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 14.7(1),(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>315</b>	A retailer that is required to make a compensation payment for failing to satisfy a service standard under clauses 14.1, 14.2 or 14.3 must do so in the manner specified in subclause 14.7(1).	
<b>316</b>	A distributor that is required to make a compensation payment for failing to satisfy a service standard under clauses 14.4 or 14.5 must do so in the manner specified in subclause 14.7(2).	
<b>Observations</b>		
<p>Through discussions and process walkthroughs with the Customer Service Officer it was identified that Horizon Power will make service standard payments via the following methods:</p> <ul style="list-style-type: none"> <li>• Crediting the client's Velocity account balance; or;</li> <li>• Cheque.</li> </ul> <p>Payments under 14.1, 14.2 and 14.3 are credited to the customer's Velocity account by default unless the customer requests direct payment by EFT or Cheque. The Customer Service Officer advised that the option to make payment methods via EFT are currently being explored, however, this is currently not a payment method offered to customers.</p> <p>During the audit period Horizon Power made total payments of \$3,760 in respect of 20 customers, who were not connected within the required time frame and service standard payments of \$26,152 in respect of 62 customers who were wrongfully disconnected. Sample based testing of five untimely reconnections and five wrongful disconnections revealed no instances of the customer not being paid in line with the requirements of the Code.</p> <p>Through discussions with the Customer Service Officer and examination of Horizon Power's Service Standard Payments Claims Register, it was identified that no payments under 14.3 were made during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 320, 321</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.2(1) and 3.3(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>320</b>	An accumulation meter must at least conform to the requirements specified in the applicable metrology procedure and display, or permit access to a display of the measurements that are specified in subclauses 3.2(1) (a) (b) using dials, a cyclometer, an illuminated display panel or some other visual means.	
<b>321</b>	An interval meter must at least have an interface to allow the interval energy data to be downloaded in the manner prescribed using an interface compatible with the requirements specified in the applicable metrology procedure.	
<b>Observations</b>		
<p>For the interim period until the completion of installation for all advanced meters, Horizon Power has adopted a draft of the 'Western Australian Electricity Market Metrology Procedures for Metering Installations' as its metrology standard. The procedure was reviewed and amended by Horizon Power in alignment with Metering Code 2012 to include additional requirements and clarifications as well as specific reference to AMI and its components.</p> <p>It was noted during fieldwork that Horizon Power submitted a revised Metrology Procedure and revised Mandatory Link Criteria to the Authority for review and approval on 12 April 2017, which is outside of this performance audit period.</p> <p>Since the completion of the AMI-exchange project in December 2016, Horizon Power operates approximately 48,563 advanced meters, made up of six Landys and Gyr pattern-approved types of meters for low voltage metering installations, and two EDMI pattern-approved types of meters for high voltage metering installations. As per the <i>Code</i> and Horizon Power's 2006 metrology procedure, meters capable of measuring both interval and accumulation energy data reads are considered to be accumulation meters.</p> <p>Through discussions with relevant Horizon Power staff, examination of key documents, review of Horizon Power's metering database system mData21, and sample testing, it was determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power's 2006 Metrology Procedure specifically addresses this obligation at Section 2.8.1, which states when each meter is installed it must be checked to ensure that it has the visual display located which is readily accessed for meter reading.</li> <li>• Schedules 1 – 4 of Horizon Power's 2006 metrology procedure identifies and addresses the relevant requirements under the <i>Code</i> relating to access and visible display of meter data.</li> <li>• Reference material available on the Horizon Power website, such as the Field Instruction Manual and Field Practices Manual, provides general and specific detailed guidance and instruction to multiple key stakeholder groups to ensure metering installations are compliant with all relevant legislative and regulatory metering requirements.</li> <li>• Horizon Power's policy and procedure documents provide technical detail and testing procedures for inspectors to inspect installations according to WA electricity safety standards and the WA Distributions Connections Manual.</li> <li>• Photographs of each meter pattern-type, and documentation of each meter pattern-type's software configuration developer settings, confirmed that all exchanged meter pattern-types allow for: <ul style="list-style-type: none"> <li>○ Physical access to a display of measurements and data logged on the meter at the metering point, via digital display panels, optical ports; and</li> <li>○ Remote access through access points connecting advanced meters to Horizon Power's SilverSprings network, which remotely transfers energy data reads at 15 minute intervals from each meter which can be viewed through the SSN-UIQ software suite and mData21 metering database.</li> </ul> </li> <li>• The 23 meters associated with customers who have refused to allow the exchange to an advanced meter were all noted to be electronic 'Ampy Email' pattern-type meters. There was no indication that meters of this type were non-compliant with regards to these specific obligations.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 322</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.3(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>322</b>	If a metering installation is required to include a communications link, the link must, where necessary, include a modem and isolation device approved under the relevant telecommunications regulations that allows the interval energy data to be downloaded in the manner prescribed.	
<b>Observations</b>		
<p>Through discussions with the Meter Services Manager and Senior Metering Technician, and examination of relevant documentation, it was determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power's 2006 Metrology Procedure and Mandatory Link Criteria specifically identify the obligation arising under Clause 3.16(1) of the <i>Code</i>, stating that Type 1 to Type 4 metering installations must include a communications link.</li> <li>• Schedules 1 – 4 of Horizon Power's 2006 metrology procedure sufficiently identifies and addresses the relevant technical requirements under the <i>Code</i> relating to communications links, modems, and isolation devices.</li> <li>• Section 3.5.9 of Horizon Power's 'Technical Requirement for Revenue Electricity Meters' Specification document states that meter communications shall comply with AS 62056 and AS 1284.</li> <li>• Horizon Power's installation and inspection procedures provide for the inclusion of modem and isolation devices within metering installations (where required or otherwise), in accordance with its prescribed documents and technical specifications; the WA Distributions Connections Manual; and relevant telecommunications regulations.</li> <li>• The Meter Service Manager had previously consulted with Telstra and Western Power to ensure that modems and isolation devices sourced and used were approved under relevant telecommunications regulations.</li> <li>• Product specifications identified within the user guide of the specific modem device predominantly used across Horizon Power's metering installations indicated that the modem type was appropriate for metering purposes.</li> <li>• Horizon Power's daily data collection read success rate for advanced meters over was sighted to average around 99% over a seven day period.</li> <li>• The Senior Metering Technician demonstrated the specific type of patch leads predominantly used on Horizon Power's metering installations for isolation devices were ACMA A-Tick Certified N10227 and meet applicable Australian Standards.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 323</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.3A(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>323</b>	A network operator must ensure that bi-directional electricity flows do not occur at a metering point unless the metering installation for the metering point is capable of separately measuring and recording electricity flows in each direction.	
<b>Observations</b>		
<p>Through discussions with Meter Services Manager, Senior Metering Technician and Inspectorate Service Officer, and examination of relevant documentation, it was determined that:</p> <ul style="list-style-type: none"> <li>Horizon Power's 2006 Metrology Procedure and other documents published on its website require that meters associated with types 1 to 5 metering installations be capable of separately registering and recording flows in each direction where bi-directional energy flows.</li> <li>All pattern-approved meter types exchanged under the AMI-exchange project are capable of recording bi-directional energy flows in each direction, i.e. net reading. The AMI-exchange project was completed in December 2016.</li> <li>Horizon Power's documentation of each meter pattern-type's software configuration developer settings, confirmed that all exchanged meter pattern-types allow for import and export kWh measurements to be logged and read.</li> <li>Inspection system processes and procedures requiring an electrician to lodge a notice of completion prior to a metering installation being energised, and automatic high/low validation checks performed on energy data through mData21 and Velocity, provided monitoring and preventative means for Horizon Power to ensure no bi-directional flows occur.</li> <li>As at the end of the performance audit period there were 159 meters yet to be exchanged with an advanced meter. It is noted that if through the meter reading validations process, meters with a bidirectional flow reflect a negative consumption and this will prompt an investigation by the Inspections crew.</li> <li>The Meter Services Manager confirmed there have been no known instances during the audit period where bi-directional flows were occurring at a metering point with a metering installation that is not capable of separately measuring and recording electricity flows in each direction.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 325</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.3C		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>325</b>	An accumulation meter or an interval meter that separately measures and records bi-directional electricity flows at the metering point must record: <ul style="list-style-type: none"> <li>- the net electricity production transferred into the network that exceeds electricity consumption; and</li> <li>- the net electricity consumption transferred out of the network that exceeds electricity production.</li> </ul>	
<b>Observations</b>		
<p>Through discussions with Meter Services Manager, Senior Metering Technician and Inspectorate Service Officer, and examination of relevant documentation, it was determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power's 2006 Metrology Procedure and other documents published on its website require that meters associated with types 1 to 5 metering installations be capable of separately registering and recording flows in each direction where bi-directional energy flows.</li> <li>• All pattern-approved meter types exchanged under the AML-exchange project are capable of recording bi-directional energy flows in each direction, i.e. net reading. The AML-exchange project was considered completed by December 2016.</li> <li>• Horizon Power's documentation of each meter pattern-type's software configuration developer settings, confirmed that all exchanged meter pattern-types allow for import and export kWh measurements to be logged and read.</li> <li>• Inspection system processes and procedures requiring an electrician to lodge a notice of completion prior to a metering installation being energised, and automatic high/low validation checks performed on energy data through mData21 and Velocity, provided monitoring and preventative means for Horizon Power to ensure no bi-directional flows occur.</li> <li>• There have been no known instances during the audit period where bi-directional flows were occurring at a metering point with a metering installation that is not capable of separately measuring and recording electricity flows in each direction.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	Adequacy of Controls Rating	
<b>Compliance Rating</b>	1- Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 328</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.5(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>328</b>	Except for a Type 7 metering installation, a network operator must ensure that the metering point for a revenue metering installation is located as close as practicable to the connection point in accordance with good electricity industry practice.	
<b>Observations</b>		
<p>Through discussions with the Meter Services Manager, Senior Metering Technician and Meter Data Coordinator, and examination of Horizon Power's Metrology Procedure and mData21 meter registry, it was determined that:</p> <ul style="list-style-type: none"> <li>• A metering point is defined as a point on the network at which energy data measurement takes place (i.e. the connection point).</li> <li>• A metering installation is designed for each metering point in order to measure energy data, and is designated within the Horizon Power's mData21 metering registry as a revenue meter.</li> <li>• Horizon Power's standard practice is for the connection point and metering point to be the same for all type 1 to 6 meters installed on its network.</li> <li>• If a metering installation for a connection point does not meet the requirements under the WA Distributions and Connections Manual and electricity regulations, it is failed under Horizon Power's inspection system practices and de-energised until it is made compliant.</li> <li>• Horizon Power has policies, procedures, systems and training in place to ensure metering points on its network are located as close as possible to the connection point.</li> <li>• No metering installations were created during the audit period where the metering point and connection point were located at different points.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 331</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.7		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>331</b>	All devices that may be connected to a telecommunications network must be compatible with the telecommunications network and comply with all applicable State and Commonwealth enactments.	
<b>Observations</b>		
<p>Through discussions with the Meter Services Manager and Senior Metering Technician, and examination of relevant documentation, it was determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power's 2006 Metrology Procedure and Mandatory Link Criteria specifically identify the obligation arising under Clause 3.16(1) of the <i>Code</i>, stating that Type 1 to Type 4 metering installations must include a communications link.</li> <li>• Schedules 1 – 4 of Horizon Power's 2006 metrology procedure sufficiently identifies and addresses the relevant technical requirements under the <i>Code</i> relating to communications links, modems, and isolation devices.</li> <li>• Section 3.5.9 of Horizon Power's 'Technical Requirement for Revenue Electricity Meters' Specification document states that meter communications shall comply with AS 62056 and AS 1284.</li> <li>• Horizon Power's installation and inspection procedures provide for the inclusion of modem and isolation devices within metering installations (where required or otherwise), in accordance with its prescribed documents and technical specifications; the WA Distributions Connections Manual; and relevant telecommunications regulations.</li> <li>• The Meter Service Manager confirmed that Horizon Power had previously consulted with Telstra and Western Power to ensure that modems and isolation devices sourced and used were approved under relevant telecommunications regulations.</li> <li>• Product specifications identified within the user guide of the specific modem device predominantly used across Horizon Power's metering installations indicated that the modem type was appropriate for metering purposes.</li> <li>• Horizon Power's daily data collection read success rate for advanced meters over was sighted to average around 99% over a seven day period.</li> <li>• The Senior Metering Technician demonstrated the specific type of patch leads predominantly used on Horizon Power's metering installations for isolation devices were ACMA A-Tick Certified N10227 and meet applicable Australian Standards.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 332</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.8		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>332</b>	Subject to clause 3.27, a network operator must ensure that each metering installation on its network is secured by devices or methods that hinder unauthorized access and enable unauthorized access to be detected, consistent with the standards of good electricity industry practice.	
<b>Observations</b>		
<p>Through discussions with the Manager Technology, IT Security Risk &amp; Governance Specialist, and Solutions Architect, supplemented with an examination of mData21, it was noted that Horizon Power manages all metering services in-house, with the storage of meter data within mData21. Horizon Power has implemented measures to:</p> <ul style="list-style-type: none"> <li>• Ensure data held in mData21 is secured from unauthorised local or remote access by granting role based access at the Windows active directory level and two factor authentication, token, for remote access into the mData21 platform.</li> <li>• Flag and investigate unauthorised attempts into the system through intrusion detection dashboards, monitoring unsuccessful attempts into the network.</li> <li>• Authenticate the interfacing between systems communicating with mData21 through encrypted channels and SFTP (secure file transfer protocol) channels.</li> <li>• Ensure anti tampering of meters by battery operated hidden switches within the meter box and preserving the integrity of the meters.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 336</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.10		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>336</b>	A network operator must ensure that any programmable settings in any of its metering installations, data loggers or peripheral devices, which may affect the resolution of displayed or stored data, satisfy the relevant requirements specified in the applicable metrology procedure and comply with any applicable instructions by the National Measurement Institute under the National Measurement Act.	
<b>Observations</b>		
<p>Through discussions with relevant Horizon Power staff, examination of key documents, review of Horizon Power’s metering database system mData21, and sample testing, it was determined that:</p> <ul style="list-style-type: none"> <li>• Photographs of each meter pattern-type, and documentation of each meter pattern-type’s software configuration developer settings, confirmed that all exchanged meter pattern-types allow for: <ul style="list-style-type: none"> <li>○ Physical access to a display of measurements and data logged on the meter at the metering point, via digital display panels, optical ports; and</li> <li>○ Remote access through access points connecting advanced meters to Horizon Power’s SilverSprings network, which remotely transfers energy data reads at 15 minute intervals from each meter which can be viewed through the SSN-UIQ software suite and mData21 metering database.</li> </ul> </li> <li>• The 23 meters associated with customers who have refused to allow the exchange to an advanced meter were all noted to be electronic ‘Ampy Email’ pattern-type meters. There was no indication that meters of this type were non-compliant with regards to this specific obligation.</li> </ul> <p>No applicable instructions from the National Measurement Institute were received during the audit period 1 April 2015 to 31 March 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 340</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.11A(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>340</b>	A network operator must ensure that the meters on its network are systematically sampled and tested for accuracy in accordance with AS 1284.13.	
<b>Observations</b>		
<p>Through discussions with the Meter Service Manager, it was identified that:</p> <ul style="list-style-type: none"> <li>Horizon Power refers to and acts in accordance with its approved 2006 Metrology Procedure and Metering Management Plan documents in order to ensure compliance with this obligation.</li> <li>The next meter testing Horizon Power will undertake is for advanced meters which were installed under the advanced Metering Installation (AMI) exchange project that completed in December 2016.</li> <li>The meter sampling and testing has been scheduled for June/July 2017 and budget approval for the costs of meter testing has been approved.</li> <li>At the time of fieldwork, the meter testing plan for performing sampling and accuracy testing were being finalised. The Meter Service Manager confirmed it is being designed, and will be implemented, in accordance with the Metrology Procedure, Metering Management Plan, and AS 1284:13.</li> </ul> <p>Based on discussions with customer service personnel, examination of the Metrology Procedure and reference to associated documents, it was determined that:</p> <ul style="list-style-type: none"> <li>Section 2.7 Testing and Inspection of Meters correctly identifies and addresses the requirement for systematically sampling and testing meters in accordance with the 2012 <i>Metering Code</i>.</li> <li>Subsection 2.7.3 of the Metrology Procedure specifically addresses this obligation by stipulating that the Metering Management Plan must include, as a minimum, the requirements under AS 1284:13.</li> <li>The 2006 assessment of the Metrology Procedure performed by McGill Engineering Services concluded the document was consistent with AS 1284:13, and was subsequently approved by the Economic Regulatory Authority. This assessment and approval is still considered valid for this obligation as there have been no updates to AS 1284:13 since 2002.</li> <li>A comparison of the requirements under the Metrology Procedure against the 2012 <i>Metering Code</i> did not identify any inconsistencies that would result in non-compliance.</li> <li>AS 1284:13 requires that whole-current meters for which new or amended pattern approval has been received must be tested at least once in the first three years. The first installations of advanced meters were noted as occurring in mid-2014 which is in line with Horizon Power's assessment.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, due to no events in the audit period, compliance was not rated.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 342, 343</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.12(1) & 3.12(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>342</b>	A network operator must ensure that each metering installation complies with at least the prescribed design requirements.	
<b>343</b>	A network operator must ensure that instrument transformers in its metering installations comply with the relevant requirements of any applicable specifications or guidelines, including any transitional arrangements, specified by the National Measurement Institute under the National Measurement Act and any requirements specified in the applicable metrology procedure.	
<b>Observations</b>		
<p>Through discussions with the Meter Services Manager and Senior Metering Technician and examination of policies and procedures, it was determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power’s Metrology Procedure schedules outline the design requirements for metering installations for Type 1 to Type 7 metering points.</li> <li>• Design standards are referred to by meter technicians when installing metering installations and are kept in both digital and hard-copy form on-site.</li> <li>• Installations are inspected for compliance with the WA Distributions Connections Manual in accordance with Horizon Power’s inspection system processes and procedures.</li> <li>• Meters in use on Horizon Power’s network after completion of the AMI-exchange project were all examined and found to be pattern-approved under NMI M6 and meet Australian Standards.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 344</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.12(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>344</b>	A network operator must provide isolation facilities of a standard consistent with good electricity industry practice, to facilitate testing and calibration of the metering installation.	
<b>Observations</b>		
<p>Through discussions with the Meter Services Manager and Senior Metering Technician, and examination of photographic evidence of metering installations and associated service orders, it was determined that:</p> <ul style="list-style-type: none"> <li>• Each installation on Horizon Power’s network contains fuses, which permit the isolation of metering equipment to allow maintenance to occur on-site.</li> <li>• Horizon Power’s standard practice is to remove a meter from the metering installation and replace it with a new or reconfigured meter, to allow maintenance and testing of metering equipment to occur in-house at Horizon Power’s Bentley office using accredited testing equipment.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 345</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.12(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>345</b>	A network operator must maintain drawings and supporting information, of a standard consistent with good electricity industry practice, to detail the metering installation for maintenance and auditing purposes.	
<b>Observations</b>		
<p>Through discussions with Meter Services Manager and Senior Metering Technician, and inspection of relevant documentation, it was determined that:</p> <ul style="list-style-type: none"> <li>• Requirements and specifications for metering installations relating to high voltage distribution supply, including current transformers (CT), and voltage transformers (VT), were documented within the Western Australian Distribution Connections Manual (WADCM) and applicable metrology procedure.</li> <li>• CTs and VTs may form part of the metering installation on a Horizon Power's network or be owned by the customer and therefore fall outside the network.</li> <li>• Where CTs and VTs form part of metering installation on Horizon Power's network, they are installed, documented, tested and maintained in line with the requirements of the metrology procedure and WADCM. Where CTs and VTs are not part of Horizon Power's network, the customer is required to ensure the high voltage installation complies with the relevant regulations and standards.</li> <li>• Under NMI M 6-1 Electricity Meters, voltage reference conditions differ for direct-connected and current-transformer meters, and voltage-transformer operated meters. The pattern approved variants of the advanced meters comply with each of these differing voltage requirements.</li> <li>• Horizon Power maintains copies of the required CT and VT drawings connected to its network.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 347, 348</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.13(3)(c) and clause 3.13(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>347</b>	A partial check metering installation must be physically arranged in a manner determined by the network operator, acting in accordance with good electricity industry practice.	
<b>348</b>	A check metering installation for a metering point must comply with the prescribed requirements.	
<b>Observations</b>		
<p>Through discussions with the Meter Services Manager and Senior Metering Technician and examination of policies and procedures, it was determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power’s Metrology Procedure schedules outline the design requirements for metering installations for Type 1 to Type 7 metering points.</li> <li>• Horizon Power installs full check metering installations to the same specification as the associated revenue meter for a metering point.</li> <li>• Horizon Power installs and maintains all meters in-house, including high voltage installations and associated check meters. Documentation, including photographs of installations and completed service orders, are stored digitally and within mData21.</li> <li>• Drawings associated with high voltage installations and meters have been designed to align with the WA electricity safety standards.</li> </ul> <p>The Meter Services Manager confirmed that no partial check meters were installed by Horizon Power during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 349</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.14(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>349</b>	If, under clause 3.14(2), a metering installation uses metering class CTs and VTs that do not comply with Table 3 in Appendix 1, then the network operator must install meters of a higher class accuracy and/or apply accuracy calibration factors within the meter to compensate for CT and VT errors, in order to achieve the accuracy requirements in Table 3 in Appendix 1.	
<b>Observations</b>		
<p>Clause 3.14 of the Metering Code provides for transitional arrangements for metering installations commissioned prior to the commencement of the 2005 Metering Code. The 2013 performance audit recommended that Horizon Power rectify the one metering installation (ATCO Power station) to ensure it complied with the accuracy requirements of Table 3 in Appendix 1 of the Metering Code.</p> <p>Through discussion with the Meter Services Manager and Senior Metering Technician, and examination of relevant high voltage installations, it was noted that:</p> <ul style="list-style-type: none"> <li>In July 2015 a project commenced where all CT and VT meters were exchanged, tested, photographed and documented, whereby all metering installations on the Horizon Power network are now considered to meet the requirements of the <i>Code</i> and Horizon Power's metrology procedure.</li> <li>Previous issues surrounding the accuracy of installation associated with the ATCO Power station had been rectified and were due to be completed within the next few months.</li> </ul> <p>The Meter Services Manager confirmed there were no known instances during the audit period where a metering installation was using metering class CTs and VTs that did not comply with Table 3 in the <i>Code</i> or Horizon Power's Metrology Procedure.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls, however, due to no events in the audit period, compliance was not rated.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 357</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.21(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>357</b>	Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of one month.	
<b>Observations</b>		
Through discussions with Meter Services Manager and Senior Metering Technician, examination of Horizon Power's metrology procedure and SSN-UIQ software, it was determined that:		
<ul style="list-style-type: none"> <li>Horizon Power's Metrology procedure adequately identifies the accuracy requirements for meters containing an internal real time clock under this obligation.</li> <li>Meters installed on Horizon Power's network after the completion of the AML-exchange project were pattern approved, which addresses the requirements for time accuracy.</li> <li>The results of the previous Formway Group sample meter audit did not identify any time accuracy issues with Horizon Power's electronic meters. Therefore, the non-compliant meters identified at obligation 319 did not prevent an assessment of compliance with this obligation.</li> <li>Monitoring of the advanced meters time accuracy requirements is performed through SSN-UIQ software, with meters internal time clocks able to automatically sync with the meters NIC card, which syncs with the SilverSprings network through access points on the network.</li> </ul>		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 358</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.21(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>358</b>	If a metering installation includes measurement elements and an internal data logger at the same site, it must include facilities on-site for storing the interval energy data for the periods prescribed.	
<b>Observations</b>		
Through discussions with the Meter Services Manager and examination of Horizon Power's metrology procedure, it was determined that:		
<ul style="list-style-type: none"> <li>Horizon Power's metrology procedure adequately captures the requirement for this obligation under section 2.2.5.</li> <li>All meters on Horizon Power's network possess the capability for storing energy data for the required periods, as evidenced by pattern-approval of the meters and documentation of each pattern-type meter's software configuration.</li> <li>The results of the 2011 Formway Group sample meter audit did not identify any failings for data loggers to store interval energy data for the required period. Therefore, the non-compliant meters identified at obligation 319 did not impact compliance with this obligation.</li> </ul>		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 359</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.22		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>359</b>	A network operator providing one or more metering installations with enhanced technology features must be licensed to use, and access, the metering software applicable to all devices being installed and be able to program the devices and set parameters.	
<b>Observations</b>		
Through confirmation with the Meter Services Manager and Senior Metering Technician, and examination of Horizon Power's Metrology Procedure and relevant metering software, it was determined that Horizon Power:		
<ul style="list-style-type: none"> <li>• Has recognised its requirement to maintain a licence for access to applicable metering software within its Metrology Procedure (section 2.2.7)</li> <li>• Manages all metering activities in-house including maintenance of metering database, mData21, which Horizon Power owns the licence to operate.</li> <li>• Is licensed to use meter specific software including EMPWin+ and EZ View.</li> </ul>		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 367, 379, 380, 381</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		<b>Reporting Type</b> 2
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 4.1(2), 4.8(4)(a), 4.8(4)(b) & 4.8(5)		
<b>Obligation Description</b>		
<b>367</b>	A network operator must ensure that its metering database with its associated links, circuits, information storage and processing systems are secured by devices or methods consistent with a good industry practice to hinder unauthorised access and enable unauthorised access to be detected.	
<b>379</b>	A network operator must have devices and methods in place to ensure that energy data held in its metering installation is secured from unauthorised local or remote access using the methods prescribed.	
<b>380</b>	A network operator must have devices and methods in place to ensure that the data held in its metering database is secured from unauthorised local, or remote, access using the methods prescribed.	
<b>381</b>	Without limiting subclause 4.8(4), a network operator must ensure that electronic passwords and other electronic security controls are only issued to the specified authorised personnel and otherwise keep its records of electronic passwords, and other electronic security controls, secure from unauthorised access.	
<b>Observations</b>		
<p>Through discussions with the Manager Technology, IT Security Risk &amp; Governance Specialist, and Solutions Architect, supplemented with an examination of mData21 it was noted that Horizon Power manages all metering services in-house, with the storage of meter data within mData21. Horizon Power has implemented measures to:</p> <ul style="list-style-type: none"> <li>• Ensure data held in mData21 is secured from unauthorised local or remote access by granting role based access at the Windows active directory level and two factor authentication, token, for remote access into the mData21 platform.</li> <li>• Flag and investigate unauthorised attempts into the system through intrusion detection dashboards, monitoring unsuccessful attempts into the network.</li> <li>• Authenticate the interfacing between systems communicating with mData21 through encrypted channels and SFTP (secure file transfer protocol) channels.</li> <li>• Ensure anti tampering of meters by battery operated hidden switches within the meter box and preserving the integrity of the meters.</li> <li>• implement password parameters settings in line with industry practice (i.e. alphanumeric, password history, password length, lockout on invalid attempts), including restricted access and two factor authentication required from a secure Windows active directory group.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 368</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 4.1(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>368</b>	A network operator must prepare and, if applicable, implement a disaster recovery plan to ensure that it is able to rebuild the metering database and provide energy data to Code participants within two business days after the date of any disaster.	
<b>Observations</b>		
<p>Through discussions with the Manager Technology, IT Security Risk &amp; Governance Specialist, and Solutions Architect, supplemented with an examination of Horizon Power's IT Disaster Recovery Plan, noted that Horizon Power has developed a disaster recovery plan for the metering database mData21.</p> <p>The disaster recovery plan for the mData21 application was tested annually during the audit period, which includes a series of fail over and fail back testing of mData21 which specifies a 12 hour target timeframe to rebuild the metering database following a significant business disruption.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 382</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 4.9		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>382</b>	A network operator must retain energy data in its metering database for each metering point on its network, including any energy data that has been replaced under sub clause 5.24, for at least the periods, and with the level of accessibility, prescribed.	
<b>Observations</b>		
<p>As confirmed by the Meter Data Coordinator, Horizon Power continues to perform all metering services in-house during the audit period utilising mData21 as the metering database, where all data relating to each metering point on its network is maintained. Horizon Power's metrology procedure was noted to adequately identify the requirement to retain energy data for at least 13 months in a readily accessible format, and a further 5 years and 11 months in a format that is accessible within a reasonable period of time.</p> <p>Through discussions with the Meter Data Coordinator and examination of mData21, it was noted that as part of the Meter Exchange Project, Horizon Power has implemented a dedicated meter data repository (MDR). MDR stores all the energy reads taken at 15 minute intervals from each of the advanced meters. It was observed that mData21 has the functionality to pull energy data from the MDR for both billing and reference purposes.</p> <p>Sample based testing of five metering installations verified that energy data was available from the date the meter was installed and for all subsequent bi-monthly billing reads. Through this sample testing and further examination, it was noted that energy data was available for installations for periods exceeding 7 years, where applicable.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 385</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.3		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>385</b>	A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database by no later than two business days after the date for the scheduled meter reading for the metering point (or such other time as is specified in the applicable service level agreement).	
<b>Observations</b>		
<p>As confirmed by the Meter Data Coordinator, Horizon Power continued to perform all metering services in-house during the audit period utilising mData21 as the metering database, where all data relating to each metering point on its network is maintained.</p> <p>Through discussions with the Meter Data Coordinator and examination of mData21, it was noted as part of the Meter Exchange Project, Horizon Power has implemented a dedicated meter data repository (MDR). MDR stores all the energy reads taken at 15 minute intervals from each of the advanced meters. It was observed that mData21 has the functionality to pull energy data from the MDR for both billing and reference purposes.</p> <p>Testing performed around Horizon Power's mData21 metering database, meter reading processes and procedures (both pre-AMI and AMI) confirmed that Horizon Power's processes and procedure allowed for energy data to be transferred within two business days after the scheduled read date for the metering point. Discussions with management confirmed that the advanced meters enable the transfer of energy data with one day.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 387</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.4(1A)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>387</b>	The meter reading referred to in clause 5.4(1) must not be undertaken by the customer associated with the meter, and must be undertaken by a person who is employed or appointed by the network operator and who is suitably skilled in accordance with good electricity industry practice to carry out meter readings.	
<b>Observations</b>		
<p>Through discussion with the Technical Training Coordinator, it was noted that Horizon Power had approximately 60 linesmen, 4 remote community utility workers and 50 contract workers who were authorised to carry out meter readings during the audit period. Authorisation to carry out meter readings was previously dependent upon the employee completing an internally run 'Field Services Officer' training program.</p> <p>Since the AMI-exchange, employees who will conduct meter reads are required to complete a newly developed 'Advanced metering infrastructure: Information and installation' 4-day course. Pre-requisites for the course require the employee to hold at least one of the following qualifications:</p> <ul style="list-style-type: none"> <li>• Certificate III in Electricity Supply Industry – Power Systems – Distribution Overhead or equivalent; or</li> <li>• Certificate III in Electricity Supply Industry – Remote Community Utilities Worker; or</li> <li>• Certificate III in Electrotechnology Electrician or equivalent, and Overhead Service Installation and Underground Service Installation.</li> </ul> <p>Additionally, employees require additional qualifications including: a White Card; High Risk Work licence; First Aid – Provide cardiopulmonary resuscitation; and also obtain relevant Horizon Power authorisation to undertake the course. The Technical Training Coordinator confirmed that these required qualifications are stipulated within the HR requirements for the job roles associated with performing meter reads.</p> <p>Examination of the course content identified a comprehensive document containing all relevant information, and good practice training materials including PowerPoint slides, practice assessments, and an instructor's manual for facilitating the course.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Oppportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 403, 404</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.17A(1) and 5.17A(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>403</b>	A network operator must provide data for a metering point from its metering database to a person if (and to the extent that) the customer associated with the metering point gives the network operator a direction to do so that complies with sub clause 5.17A (2).	
<b>404</b>	A network operator must comply with a direction under sub clause 5.17A (1) within the timeframes prescribed.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Operator and Meter Data Coordinator, and examination of documentation around one instance identified as occurring during the audit period, it was determined:</p> <ul style="list-style-type: none"> <li>Horizon Power's Metrology Procedure adequately identifies this obligation and aligns with 10.7 of the <i>Code of Conduct (Supply of Electricity to Small Use Customers) 2016</i>;</li> <li>Horizon Power staff are required to obtain verifiable evidence of customer consent prior to providing data to a person requesting such data on behalf of that customer; and</li> <li>In the one instance identified during the audit period where a person requested data on behalf of customers, appropriate consent was obtained from the customer prior to data being provided within the timeframes prescribed.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 390</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.5(2A)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>390</b>	A network operator must not impose a charge for the provision of standing data and for the provision of energy data if another enactment prohibits it doing so.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Operator and Meter Data Coordinator, and examination of instances where standing data or energy data was provided, it was determined that:</p> <ul style="list-style-type: none"> <li>Where a customer requests energy data or standing data from the customer service line, the request is resolved while on the phone with the customer.</li> <li>The customer service employee taking the call would contact the Meter Data Coordinator after confirming the identity of the customer, who would then compile the requested information.</li> <li>Checks are performed to ensure that information provided to a customer is only for the period of time for which the customer has been associated with the metering installation data is requested for.</li> <li>All information is provided at no charge.</li> </ul> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 424, 426, 427, 428, 429</b>		Compliance Rating A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.22(3), 5.22(5), 5.22(6), 5.23(1) & 5.23(3)		Reporting Type 2
<b>Obligation Description</b>		
<b>424</b>	If a check meter is not available or energy data cannot be recovered from the metering installation within the time required under this Code, then the network operator must prepare substitute values using a method contained in Appendix 3 and agreed where necessary with the relevant Code participants.	
<b>426</b>	Substitution or estimation of energy data is required when energy data is missing, unavailable or corrupted, including in the circumstances described in this sub clause.	
<b>427</b>	A network operator must review all validation failures before undertaking any substitution.	
<b>428</b>	If a network operator determines that there is no possibility of determining an actual value for a metering point, then the network operator must designate an estimated or substituted value for the metering point to be a deemed actual value for the metering point.	
<b>429</b>	If a network operator has designated a deemed actual value for a metering point then the network operator must repair or replace the meter or one or more of components of metering equipment (as appropriate) at the metering point and sub clauses 5.24(3)(c) and 5.24(4) apply in respect of the estimated or substituted value which was designated to be the deemed actual value.	
<b>Observations</b>		
<p>Through discussions with Meter Data Coordinator and Meter Services Manager, examination of Horizon Power's Metrology Procedure, and walkthrough of the automatic controls used to validate, estimate and substitute reads through mData21, it was determined:</p> <ul style="list-style-type: none"> <li>• Horizon Power performs all management and maintenance of meters in-house. Horizon Power substitutes, estimates or validates energy data in accordance with the Metrology Procedures where an actual reading has not been obtained, or the actual reading has failed validation.</li> <li>• Horizon Power's metrology procedure aligns with the requirements of this obligation and the prescribed rules and procedures set out in Appendix 3 of the Code.</li> <li>• mData21 automatically validates, estimates, and substitutes energy data in accordance with the rules and formulae outlined in the Code and applicable metrology procedure.</li> <li>• Examination of instances where substituted energy data reads were applied noted that Horizon Power had correctly and adequately investigated reads which failed validation prior to substituting reads.</li> <li>• No instances were identified where a check meter was not available or energy data could not be recovered (i.e. if a meter is damaged it may still be possible to 'recover' energy data).</li> </ul> <p>Although the majority of meters on Horizon Power's network were replaced during the audit period with advanced meters, it was determined these replacements were not relevant with respect to Horizon Power designating a deemed actual value for a metering point.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 430, 431, 432</b>		<b>Compliance Rating</b> A / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.24(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>430</b>	If a network operator uses an actual value (first value) for energy data for a metering point, and a better quality actual or deemed actual value is available (second value), the network operator must replace the first value with the second value if doing so would be consistent with good electricity industry practice.	
<b>431</b>	If a network operator uses a deemed actual value (first value) for energy data for a metering point, and a better quality deemed actual value is available (second value), then the network operator must replace the first value with the second value if doing so would be consistent with good electricity industry practice.	
<b>432</b>	If a network operator uses an estimated or substituted value (first value) for energy data for a metering point, and a better quality actual, deemed, estimated or substituted value is available (second value), then the network operator must replace the first value with the second value if doing so would be consistent with good electricity industry practice or the user and its customer jointly request it to do so.	
<b>Observations</b>		
Through discussions with Meter Data Coordinator, it was determined that:		
<ul style="list-style-type: none"> <li>mData21 is a metering data management system that has been developed based on the rules for substitution, estimate and validation according to the metering code and the WEM.</li> <li>There were no known instances occurring where Horizon Power would or could have obtained a better quality second actual value, or deemed actual value, to replace a first actual value, or deemed actual value. Where a better quality actual, deemed actual, estimated or substituted value is available, this would replace an estimated or substituted first value through mData21's automatic processes.</li> </ul>		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls, however, due to no events in the audit period, compliance was not rated.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
NA		

<b>Compliance Manual Reference: 434</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.25		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>434</b>	A network operator must ensure the accuracy of estimated energy data in accordance with the methods in its metrology procedure and ensure that any transformation or processing of data preserves its accuracy in accordance with the metrology procedure.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator, examination of Horizon Power's Metrology Procedure and walkthrough of mData21, it was determined that:		
<ul style="list-style-type: none"> <li>Horizon Power performs all management and maintenance of meters in-house. Horizon Power substitutes, estimates or validates energy data in accordance with the Metrology Procedures where an actual reading has not been obtained, or the actual reading has failed validation.</li> <li>Horizon Power's metering database mData21 operates within its Metrology Procedure, which outlines validation requirements at section 3.4. The section outlines that if a validation fails prescribed testing (at Schedule 8) the data is to be estimated. The rules for estimation are outlined in the Metrology Procedure and appear to be consistent with good electricity industry practice.</li> <li>mData21 is a metering data management system that has been developed based on the rules for substitution, estimate and validation according to the metering code and the WEM. This also includes algorithms which transform the raw energy data for high voltage installations in line with the approved metrology procedure.</li> </ul>		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 462, 463</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 5(1) and 8		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>462</b>	A distributor or transmitter must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards.	
<b>463</b>	A distributor or transmitter must, so far as reasonably practicable, disconnect the supply of electricity to installations or property in specified circumstances, unless it is in the interest of the customer to maintain the supply.	
<b>Observations</b>		
Discussions with the Strategic Asset Management consultant, supplemented with an examination of Horizon Power's Asset Management Strategy, Technical Rules handbook, Asset Management Reports, Power Quality Investigation handbook and Asset Performance Report noted the following observations:		
<ul style="list-style-type: none"> <li>• Horizon Power's Technical Rules document sets out the required performance standards for the service quality in relation to the network, including the technical requirements for the design or operation of equipment connected to the transmission and distribution systems. The Technical Rules established are consistent with good electricity industry practice, relevant laws and statutory instruments.</li> <li>• The Technical Rules includes power system performance standards covering flickers, voltage fluctuations, harmonic distortion and connection of large distorting loads as defined in AS/NZS 61000.2001 for electromagnetic compatibility.</li> </ul>		
An independent audit was undertaken by Qualeng for the 2014/15 and 2015/16 financial years in respect of Horizon Power's operations and compliance monitoring systems. The report concluded that Horizon Power satisfied the requirements of Part 2 of the Network Quality and Reliability of Supply Code.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 464, 465, 466, 467, 468, 469</b>		<b>Compliance Rating</b> <b>A / 1</b>
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 9, 10(1)(2), 12(3) & 13(2)(3)		<b>Reporting Type</b> <b>NR (464, 465, 466, 468)</b> <b>2 (467, 469)</b>
<b>Obligation Description</b>		
<b>464</b>	A distributor or transmitter must, as far as reasonably practicable, ensure that the supply of electricity is maintained and the occurrence and duration of interruptions is kept to a minimum.	
<b>465</b>	A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer.	
<b>466</b>	A distributor or transmitter must consider whether, in specified circumstances, it should supply electricity by alternative means to a customer who will be affected by a proposed interruption.	
<b>467</b>	A distributor must take prescribed action in the event of a significant interruption to a small use customer.	
<b>468</b>	A distributor or transmitter must, so far as reasonably practicable, ensure that customers in specified areas do not have average total lengths of interruptions of supply greater than specified durations.	
<b>469</b>	The average total length of interruptions of supply is to be calculated using the specified method.	
<b>Observations</b>		
<p>Discussions with the Strategic Asset Management consultant, supplemented with an examination of Horizon Power's Asset Management Strategy, Technical Rules handbook, Asset Management Reports, Power Quality Investigation handbook and Asset Performance Report noted the following observations: Technical Rules includes power system performance standards covering flickers, voltage fluctuations, harmonic distortion and connection of large distorting loads as defined in AS/NZS 61000.2001 for electromagnetic compatibility.</p> <ul style="list-style-type: none"> <li>Supply interruptions to customers are monitored and recorded for internal analysis and also used to calculate: <ul style="list-style-type: none"> <li>Customer Average Interruption Duration Index (CAIDI) – measures the duration of a power outage a customer is expected to have;</li> <li>System Average Interruption Duration Index (SAIDI) – measures the total number of minutes a customer is expected to have no power over a 12 month period; and</li> <li>System Average Interruption Frequency Index (SAIFI) – measures the total number of outages a customer is expected to experience over the 12 month period.</li> </ul> </li> <li>These indices are reported annually in the performance report on Network Quality and Reliability of Supply.</li> <li>Electricity supply is disconnected from customer premises if supply quality is not according to the prescribed standards, particularly if it presents a safety issue or the potential to damage assets.</li> <li>Horizon Power has monthly asset management reports which records and reports instances where the average length of interruption is greater than 160 minutes for urban areas other than Perth CBD or greater than 290 minutes for non-urban areas.</li> <li>Horizon Power's Asset Management Strategy and Systems document outlines the strategies in place to mitigate the effect of interruption on customers, including using options analysis to assess alternative means of providing power, such as batteries and generators. Interruption of electricity supply incidents are investigated and remedied, or an alternative arrangement is entered into with the customer, to the customer's satisfaction.</li> <li>Regional Contingency Plan for each region contains restoration actions to be undertaken during significant interruption to a small use customers.</li> <li>Discussions with the Customer Service Manager noted that the planned outages that affected the sampled customers on 5 April 2016 for the period 13:19 to 17:07 was less than 4 hours and the planned outage on 27 April 2016 was for the period 11:08 to 14:26 which was also less than 4 hours.</li> </ul> <p>An independent audit was undertaken by Qualeng for the 2014/15 and 2015/16 financial years in respect of Horizon Power's operations and compliance monitoring systems. The report concluded that Horizon Power satisfied the requirements of Part 2 of the Network Quality and Reliability of Supply Code. Examination of the letters from Horizon Power to the Minister, noted that the 2014/15 and 2015/16 Network Quality and Reliability of Supply Performance Reports were provided to the Minister no later than 23 September each year.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 474, 475, 476</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 21(1), 21(2) & 21(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>474</b>	A distributor operating a relevant distribution system must provide eligible customers with information about applying for payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	
<b>475</b>	A distributor operating a relevant distribution system must provide written notice to customers about payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	
<b>476</b>	A distributor operating a relevant distribution system must provide written notice to eligible customers about payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 not less than once in each financial year.	
<b>Observations</b>		
Discussions with the Strategic Asset Management Consultant noted that Horizon Power's website and Customer Service Charter, includes the appropriate information required under the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 21</i> , which requires Horizon Power to provide eligible customers with information conferred by sections 18 and 19.		
Examination of Horizon Power's website and Customer Service Charter, last updated in June 2016, noted provision of information relating to:		
<ul style="list-style-type: none"> <li>• Payment for failure to give required notice of planned interruption (section 18)</li> <li>• Payment for supply interruptions exceeding 12 hours (section 19)</li> <li>• How the application may be made; and</li> <li>• The manner in which applications will be dealt with.</li> </ul>		
Examination of the 'On the Horizon' newsletters noted that Horizon Power publishes the information required in sections 18 and 19 of the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> at least once in each financial year. The Horizon Power regional teams provide customers affected by planned interruptions with the newsletter providing the information required in sections 18 and 19 of the Code. The post implementation plan item 21/2015 raised in the previous performance audit has been resolved in the current audit period.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 477</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 23(1), 26 & 27		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>477</b>	A distributor or transmitter must take all such steps as are reasonably necessary to monitor the operation of its network to ensure compliance with specified requirements.	
<b>Observations</b>		
<p>Through discussions with the Strategic Asset Management Consultant, supplemented with an examination of network monitoring documentation, noted that Horizon Power has extensive monitoring controls to ensure compliance with quality and reliability standards and performance reporting.</p> <p>Walkthrough of the Supervisory Control and Data Acquisition (SCADA) noted that Horizon Power's SCADA systems are present at all Horizon Power locations, including main sites or depots, sub stations, power stations and repeater sites. Network monitoring through SCADA systems are outsourced to Calibre Global Pty Ltd and governed through a Service Level Agreement with Horizon Power. Network monitoring and support services of Horizon Power's network are provided 24 hours a day, 7 days a week.</p> <p>An independent audit was undertaken by Qualeng for the 2014/15 and 2015/16 financial years in respect of Horizon Power's operations and compliance monitoring systems, including the SCADA monitoring equipment. The report concluded that Horizon Power satisfied the requirements of Part 2 of the Network Quality and Reliability of Supply Code.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 478</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 23(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>478</b>	A distributor or transmitter must keep records of information regarding its compliance with specific requirements for the period specified.	
<b>Observations</b>		
<p>Through discussion with the Strategic Asset Management Consultant, supplemented with an examination of Horizon Power's electronic document management repository (CS10), it was noted that Network Quality and Reliability of Supply data is stored in the system indefinitely, which is compliant with the monitoring and record keeping retention period of five years set out in the Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 23(2).</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 479, 480</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 24(3) & 24(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>479</b>	A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements.	
<b>480</b>	A distributor or transmitter must report the results of an investigation to the customer concerned.	
<b>Observations</b>		
<p>Through discussion with the Strategic Asset Management Consultant, supplemented with an examination of the Asset Management Reports, Compliance Datasheets and Power Quality Investigation Handbook, it was noted Horizon Power has processes and procedures in place to perform power quality investigations.</p> <p>Examination of the Asset Management Reports reported a total of:</p> <ul style="list-style-type: none"> <li>• 31 quality of service complaints and 11 power quality investigations for 2014/15; and</li> <li>• 32 quality of service complaints and six power quality investigations for 2015/16.</li> </ul> <p>Examination of the power quality investigations register supplemented with confirmation from the Strategic Asset Management Consultant noted that during the audit period, 1 April 2015 to 31 March 2017, there were no instances of a customer requesting a power quality investigation. All investigations undertaken were triggered by faults identified by Horizon Power.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however, due to no events in the audit period, compliance was not rated.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 483</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 26		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>483</b>	A distributor or transmitter must arrange for an independent audit and report on its systems for monitoring, and its compliance with specific requirements. This is to be carried out in respect of the operation of such systems during each year ending on 30 June.	
<b>Observations</b>		
<p>Under the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 26</i>, Horizon Power is required to arrange for an independent audit of the operation of the systems that are in place to monitor its compliance with Part 2 of the Code. Horizon Power has engaged Qualeng to undertake an independent audit in respect of the operation of its compliance monitoring systems for the 2014/15 and 2015/16 Financial Years.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 484, 485</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 27(1) & 27(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>484</b>	A distributor or transmitter must prepare and publish a report about its performance in accordance with specified requirements.	
<b>485</b>	A distributor or transmitter must give a copy of its report about its performance to the Minister and the ERA within the specified period.	
<b>Observations</b>		
<p>Through discussion with the Strategic Asset Management Consultant, supplemented with an examination of the 2014/15 and 2015/16 Network Quality and Reliability of Supply Performance Reports noted that the reports were prepared in accordance with the requirements under the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 27(1)</i>. The reports cover:</p> <ul style="list-style-type: none"> <li>• Non-compliances with the Code;</li> <li>• Number of small use customer supply interruptions;</li> <li>• Number of complaints;</li> <li>• Amount spent in addressing complaints;</li> <li>• Payments for failure to give required notice of planned interruption;</li> <li>• Payments for supply interruptions exceeding 12 hours;</li> <li>• Length of interruption of supply to customer premises; and</li> <li>• Major event days.</li> </ul> <p>Examination of Horizon Power's website and email correspondence between the Asset Management Support team and the Communications team, noted that the 2014/15 and 2015/16 Network Quality and Reliability of Supply Performance Reports were published on Horizon Power's website no later than 1 October each year. The post implementation plan item 2/2015 raised in the previous performance audit has been resolved in the current audit period.</p> <p>Examination of the letters from Horizon Power to the Minister, noted that the 2014/15 and 2015/16 Network Quality and Reliability of Supply Performance Reports were provided to the Minister no later than 23 September each year.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 – Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 487</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Horizon Power Integrated Regional Licence, Schedule 2, condition 2.6		
<b>Licence Obligation:</b> Electricity Industry (Licence Conditions) Regulation, regulation 8		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>487</b>	The licensee must comply with a direction by the Coordinator to submit an amendment to the renewable source electricity contract by the time specified.	
<b>Observations</b>		
<p>Through discussions with the Energy Planning &amp; Pricing Manager, it was noted that Horizon Power will submit amendments to the renewable source electricity contract to the Coordinator of Energy on an annual basis. The Energy Planning &amp; Pricing Manager advised that during the audit period one amendment to Horizon Power's renewable source electricity contract was made. Through examination of correspondence between Horizon Power and the Coordinator of Energy, it was noted that in April 2015 Horizon Power complied with direction from the Coordinator to amend the Scheme rate calculation method and the amendment was considered to be 'fair and reasonable' by the Coordinator. It was noted that no timeframe was specified by the Coordinator in relation to this amendment.</p> <p>Through discussions with the Energy Planning &amp; Pricing Manager and examination of correspondence, it was also noted that in April 2016, while no amendments to the contract were made, Horizon Power still informed the Coordinator of Energy that the contract will remain unchanged.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 488</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Horizon Power Integrated Regional Licence, Schedule 2, condition 3.1 and 3.2		
<b>Licence Obligation:</b> Electricity Industry (Licence Conditions) Regulation, regulation 6		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>488</b>	The licensee must offer to purchase renewable source electricity from a renewable source electricity customer under an approved renewable source electricity contract.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager and the Customer Service Officer, it was noted that Horizon Power offer to purchase a customer's excess renewable energy that has been exported into the electricity system. Information on the 'renewable energy buyback offer' can be found on Horizon Power's website. Additionally, Serviceworks will forward any calls from customers seeking further information relating to the purchase of renewable energy to the Customer Service Officer responsible for this process.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 489</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Horizon Power Integrated Regional Licence, Schedule 2, condition 3.3		
<b>Licence Obligation:</b> Electricity Industry (Licence Conditions) Regulation, regulation 7		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>489</b>	The licensee must submit to the Coordinator a written report detailing the amount of renewable source electricity purchased by the licensee and the cost of purchasing that renewable source electricity as soon as practicable at the end of each financial year.	
<b>Observations</b>		
<p>Through discussions with the Retail &amp; Community Manager and the Customer Service Officer, it was noted that in the 2014/15 financial year Renewable Source Electricity Report was submitted to the PUO on 28 August 2015 and therefore within a reasonable time after the end of financial year.</p> <p>The process has since changed and the Customer Officer now submits the required renewable source electricity via email on a monthly basis. A copy of the correspondence with the PUO was obtained and examined and it was noted that the required renewable source electricity information for the 2015/16 financial year was submitted to the PUO on the 4 July 2016, and therefore within a reasonable timeframe.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 496</b>		<b>Compliance Rating</b> A / 1
<b>Licence Clause:</b> Horizon Power Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Customer Contracts) Regulations 2005 regulation 40		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>496</b>	Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted that Horizon Power will offer to supply under a standard form contract to any customer that requests it. Currently all Horizon Power's small use customers are supplied electricity under a standard form contract. Customers are able to obtain a copy of Horizon Power's standard form contract on the Horizon Power website. The standard form contract includes Horizon Power's offer to supply electricity.</p> <p>Based on enquiries, it was concluded that there are adequate controls in place and Horizon Power has complied with the licence condition, during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	A – Adequate controls – no improvement needed	
<b>Compliance Rating</b>	1 - Compliant	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

## 5.4. Obligations rated Not Performed or Not Applicable during the audit period

Compliance Manual Reference: 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99		Compliance Rating NP / NR
Licence Clause: Integrated Regional Licence, condition 5.1 & 22.1		Reporting Type 2
Licence Obligation: Electricity Industry (Customer Contracts) Regulations 2005 regulation 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 32, 33(2), 33(3), 33(4), 34 & 36		
<b>Obligation Description</b>		
<b>79</b>	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language.	
<b>80</b>	A non-standard contract must specify when it comes into effect and the period for which it has effect.	
<b>81</b>	A non-standard contract must specify certain information about the retailer.	
<b>82</b>	A non-standard contract must give an exact description of the goods and services that the retailer will provide under the contract.	
<b>83</b>	A non-standard contract must require the customer to pay for electricity supplied under the contract.	
<b>84</b>	A non-standard contract must prohibit the customer from tampering with, or bypassing, network equipment or allowing any other person to do so.	
<b>85</b>	A non-standard contract must describe the circumstances under which a retailer has the right to disconnect supply and is required to reconnect supply.	
<b>86</b>	A non-standard contract must require the retailer to deal with security deposits and the payment of interest in the manner that is specified.	
<b>87</b>	A non-standard contract must describe the retailer's obligations in relation to the provision of prices and tariff information.	
<b>88</b>	A non-standard contract must describe the procedures to be followed by the retailer in relation to the preparation, issue and review of customer bills.	
<b>89</b>	A non-standard contract must describe the matters relating to the termination of the contract that are specified in the regulation.	
<b>90</b>	A non-standard contract must inform the customer that the provisions of the contract may be amended without the customer's consent and describe the process for amending the contract, including requirements for approval and the way in which the amendment will be published. The non-standard contract must require the retailer to notify the customer of any amendment to the contract.	
<b>91</b>	A non-standard contract must specify the assignment of rights and obligations, including assignment without the customer's consent.	
<b>92</b>	A non-standard contract must describe the procedures that must be followed by the retailer in responding to a complaint made by a customer.	
<b>93</b>	A non-standard contract must specify the process that must be taken by the retailer to ensure information held by the retailer is treated confidentially.	
<b>94</b>	A non-standard contract must specify the governing legislation, the effect of an invalid or unenforceable provision, the way in which notice may be given and the use of electronic communication by the retailer.	
<b>95</b>	A non-standard contract must not include a provision that excludes, restricts or modifies the Code of Conduct for the Supply of Electricity to Small Use Customers unless it is authorised by the Code,	
<b>96</b>	A non-standard contract must include details about the cooling off period specified in the regulation.	
<b>97</b>	A non-standard contract must allow the customer to terminate the contract at any time with no less than 5 days' notice.	
<b>98</b>	A non-standard contract that is a fixed contract must describe the matters relating to the termination of the contract specified in the regulation.	
<b>99</b>	The licensee must determine, from time to time, the default supplier for each connection point that connects to a distribution system operated by the licensee.	
<b>Observations</b>		
<p>Through discussions with the Retail Services Manager, it was noted that during the audit period (1 April 2015 to 31 March 2017) Horizon Power did not offer non-standard form contracts to any of its small use customers. It was noted that Horizon Power only provide electricity to small use customers under the Standard Form Contract approved by the Authority.</p> <p>Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.</p>		
<b>Adequacy of Controls Rating</b>		NP – Not Performed
<b>Compliance Rating</b>		NR – Not Rated
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 110</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Integrated Regional Licence, condition 27.1		
<b>Licence Obligation:</b> Electricity Industry Act, section 76		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>110</b>	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.	
<b>Observations</b> The Retail & Community Manager and General Manager Corporate Services and Company Secretary confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power was not designated under section 71(1) of the Electricity Industry Act as a supplier of last resort.  Therefore, it was concluded that the obligation is not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 112, 113</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Act, section 115(1) & 115(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>112</b>	In relation to network infrastructure facilities covered by the Code, the network service provider or an associate of the network service provider, must not hinder or prevent: <ul style="list-style-type: none"> <li>- access by any person to services under the Code;</li> <li>- the making of access agreements or other agreement in respect of those facilities; or</li> <li>- the access to which a person is entitled under an access agreement or a determination made by way of arbitration.</li> </ul>	
<b>113</b>	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 that hinders or prohibits access.	
<b>Observations</b> The Retail & Community Manager confirmed that Horizon Power does not operate in a regulated/covered electricity network and there are currently no other users who have access to its networks.  Therefore, it was concluded that the obligation is not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 116, 117, 118</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 11		
<b>Licence Obligation:</b> Integrated Regional Licence, condition 24.2, 24.3 & 25.1		<b>Reporting Type</b> NR (116, 117), 2 (118)
<b>Obligation Description</b>		
<b>116</b>	A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified.	
<b>117</b>	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review.	
<b>118</b>	A licensee can only amend the standard form contract with the ERA's approval.	
<b>Observations</b>		
The Customer Services Process Manager and Retail & Community Manager confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power did not receive any directions from the Authority to review or amend the standard form contract.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 120</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 11		
<b>Licence Obligation:</b> Integrated Regional Licence, condition 13.4 or 25.4		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>120</b>	A licensee must comply with any individual performance standards prescribed by the ERA.	
<b>Observations</b>		
The Customer Services Process Manager and Retail & Community Manager confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power was not prescribed individual performance standards by the Authority.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 132, 133, 134, 135</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.3(1),(2),(4),(5) Integrated Regional Licence, condition 23.1		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>132</b>	A retailer or electricity marketing agent must ensure that non- standard contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified, in clause 2.3(1).	
<b>133</b>	A retailer or electricity marketing agent must ensure that the information specified in subclause 2.3(2) is provided to the customer before entering into a non-standard contract.	
<b>134</b>	The Electricity Generation and Retail Corporation or Regional Power Corporation, or an electricity marketing agent acting on behalf of Electricity Retail Corporation or Regional Power Corporation must ensure that the information specified in subclause 2.3(4) is provided to the customer before arranging a non-standard contract.	
<b>135</b>	Subject to subclause 2.3(3), a retailer or electricity marketing agent must obtain the customer’s verifiable consent that the specified information in subclause 2.3(2) and 2.3(4), as applicable, has been provided.	
<b>Observations</b>		
Through discussions with the Retail Services Manager, it was noted that during the audit period (1 April 2015 to 31 March 2017) Horizon Power did not offer non-standard form contracts to any of its small use customer. While Horizon Power does not currently offer non-standard form contract to small use customers, Horizon Power may choose to do so in the future. If this does occur in the future, Horizon Power will need to ensure it is able to meet the requirements of clause 2.3.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 140</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 2.6		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>140</b>	A retailer or electricity marketing agent who visits a person’s premises for the purposes of marketing must comply with any clearly visible signs at the person’s premises indicating— (a) canvassing is not permitted at the premises; or (b) no advertising or similar material is to be left at the premises or in a letterbox or other receptacle at, or associated with, the premises.	
<b>Observations</b>		
Through discussions with the Retail Services Manager and the Retail & Community Manager, it was noted that during the audit period Horizon Power employees and representatives did not visit a person’s premises for the purposes of marketing.		
The 2015 Performance Audit raised Action Plan 22/2015. The revised Account Establishment Form was obtain and examined as well as communications with the Housing Authority and it was noted that this action plan has been fully implemented by Horizon Power. The Code has since been amended to specifically exclude Housing Authority representatives.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 146</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.2(1)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>146</b>	For the purposes of subclause 4.1(a)(ii), a retailer has given a customer notice if, prior to placing a customer on a shortened billing cycle, the retailer advises the customer of the information specified in subclause 4.2(1).	
<b>Observations</b>		
Horizon Power has made a business decision not to place customers on a shortened billing cycles. There are no policies or procedures in relation to shortened billing cycles and, if requested, Horizon Power would decline this service. Examination of the billing policies and procedures identified that there are no instructions on placing a customer on a shortened billing cycle.		
The Retail & Community Services Manager confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power has not processed any requests to shorten a billing cycle as described by the Code.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 147</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.2(2)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>147</b>	If a residential customer informs a retailer that the customer is experiencing payment difficulties or financial hardship and the customer is assessed as experiencing payment difficulties or financial hardship, the retailer must not place that customer on a shortened billing cycle without that customer's verifiable consent.	
<b>Observations</b>		
Horizon Power has made a business decision not to place customers on a shortened billing cycles. There are no policies or procedures in relation to shortened billing cycles and, if requested, Horizon Power would decline this service. Examination of the billing policies and procedures identified that there are no instructions on placing a customer on a shortened billing cycle.		
The Retail & Community Services Manager confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power has not processed any requests to shorten a billing cycle as described by the Code.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 148</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.2(3)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>148</b>	A retailer must give a customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.	
<b>Observations</b>		
<p>Horizon Power has made a business decision not to place customers on a shortened billing cycles. There are no policies or procedures in relation to shortened billing cycles and, if requested, Horizon Power would decline this service. Examination of the billing policies and procedures identified that there are no instructions on placing a customer on a shortened billing cycle.</p> <p>The Retail &amp; Community Services Manager confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power has not processed any requests to shorten a billing cycle as described by the Code.</p> <p>Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 149</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.2(4)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>149</b>	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.	
<b>Observations</b>		
<p>Horizon Power has made a business decision not to place customers on a shortened billing cycles. There are no policies or procedures in relation to shortened billing cycles and, if requested, Horizon Power would decline this service. Examination of the billing policies and procedures identified that there are no instructions on placing a customer on a shortened billing cycle.</p> <p>The Retail &amp; Community Services Manager confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power has not processed any requests to shorten a billing cycle as described by the Code.</p> <p>Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 150</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.2(5)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>150</b>	On request, a retailer must return a customer who is subject to a shortened billing cycle to the billing cycle that previously applied if the customer has paid 3 consecutive bills by the due date.	
<b>Observations</b>		
Horizon Power has made a business decision not to place customers on a shortened billing cycles. There are no policies or procedures in relation to shortened billing cycles and, if requested, Horizon Power would decline this service. Examination of the billing policies and procedures identified that there are no instructions on placing a customer on a shortened billing cycle.		
The Retail & Community Services Manager confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power has not processed any requests to shorten a billing cycle as described by the Code.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 151</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 4.2(6)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>151</b>	A retailer must inform a customer, who is subject to a shortened billing cycle, at least every 3 months about the conditions upon which the customer can be returned to the previous billing cycle.	
<b>Observations</b>		
Horizon Power has made a business decision not to place customers on a shortened billing cycles. There are no policies or procedures in relation to shortened billing cycles and, if requested, Horizon Power would decline this service. Examination of the billing policies and procedures identified that there are no instructions on placing a customer on a shortened billing cycle.		
The Retail & Community Services Manager confirmed that, during the period 1 April 2015 to 31 March 2017, Horizon Power has not processed any requests to shorten a billing cycle as described by the Code.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 256</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.4(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>256</b>	If a retailer requests the distributor to revert a pre-payment meter, a distributor must do so within 5 business days of receipt of the request for supply addresses within the metropolitan region, and within 10 business days for supply addresses within regional areas.	
<b>Observations</b>		
Obligation for a distributor (network operator) to act in relation to a retailer can only exist where the network operator is separate to the retailer, which is not the case in Horizon Power's circumstances.		
Based on enquiries and observation, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 258</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.5(2)		<b>Reporting Type</b> 1
<b>Obligation Description</b>		
<b>258</b>	If a retailer requests a distributor to revert a pre-payment meter under subclause 9.5(1), the distributor must revert the pre-payment meter within the time frames specified in subclause 9.5(2) (a)-(b).	
<b>Observations</b>		
Obligation for a distributor (network operator) to act in relation to a retailer can only exist where the network operator is separate to the retailer, which is not the case in Horizon Power's circumstances.		
Based on enquiries and observation, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 263</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.9(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>263</b>	If requested by a retailer, a distributor must check or test a pre-payment meter.	
<b>Observations</b>		
Obligation for a distributor (network operator) to act in relation to a retailer can only exist where the network operator is separate to the retailer, which is not the case in Horizon Power's circumstances.		
Based on enquiries and observation, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 266</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.10(2)		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>266</b>	If a pre-payment meter customer (including a customer who has vacated the supply address) has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavours to inform and reimburse the pre-payment meter customer, (except in the circumstances in clause 9.10(7)) in the timeframe and manner specified.	
<b>Observations</b> Discussion with the Pre-payment Meter Officer noted that there were no instances where a pre-payment customer had been overcharged during the performance audit period, 1 April 2015 to 31 March 2017. The amount recharged on SGCIS is the maximum that can be charged to the customer.  Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 269</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.10(6)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>269</b>	If a retailer proposes to recover an amount undercharged to a pre-payment meter customer as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified in subclause 9.10(6).	
<b>Observations</b> Discussion with the Pre-payment Meter Officer noted that Horizon Power does not recover any undercharged monies from pre-payment meter customers and there were no instances of attempting to recover any uncharged monies from pre-paid customers during the performance audit period, 1 April 2015 to 31 March 2017.  It is noted that Horizon Power will accept any loss related to undercharging a pre-payment meter customer including where an account is closed after a pre-payment customer uses part or all of the \$20 emergency credit.  Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b> N/A		



<b>Compliance Manual Reference: 270</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 9.11(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>270</b>	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative for a waiver of any fee to replace or switch a pre-payment meter to a standard meter.	
<b>Observations</b>		
Discussion with the Pre-payment Meter Officer noted that Horizon Power does not charge any fees to replace or switch a pre-payment meter to a standard meter.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 275, 276, 277</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.2(1),(2),(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>275</b>	On request, a retailer must provide a non-contestable customer with their billing data.	
<b>276</b>	If a non-contestable customer requests billing data for a period less than the previous two years and no more than once a year, or in relation to a dispute with a retailer, the retailer must provide the data at no charge.	
<b>277</b>	A retailer must give the requested billing data under subclause 10.2(1) within 10 business days of the receipt of the request, or on payment of the retailer's reasonable charge for providing this data.	
<b>Observations</b>		
Through discussions with the Retail Services Manager, it was noted that Horizon Power has a process in place to provide customer billing data when requested. CSRs who receive these requests will aim to provide the requested information immediately over the phone. If the customer requests billing data in writing, the CSR will trigger the email or mail to be sent while speaking to the customer. The Retail Services Manager advised that in no circumstances would Horizon Power charge a customer for the provision of billing data.		
During the audit period, Horizon Power only has contestable customers. Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 278</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 10.2(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>278</b>	A retailer must keep a non-contestable customer's billing data for seven years.	
<b>Observations</b> Through discussions with the Retail Services Manager, it was noted all data relating to customer billing is logged and stored within Velocity. All information in Velocity is backed up and indefinitely retained on the system with protocol being to never destroy any information/data stored in Velocity. A copy of the Serviceworks Customer Care, Billing & CIS Service Agreement was obtained and examined and it was noted that, as per the agreement, Serviceworks will comply with the provisions of the State Records Act 2000. All customer bills which contain billing and consumption data are maintained on 'Viewpoint', and through this database all historical bills (and other communications) sent to the customer can be viewed and re-sent upon request and at no charge.  During the audit period, Horizon Power only has contestable customers. Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 309</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 14.1(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>309</b>	Subject to clause 14.6, if a retailer is liable to and makes a payment under subclause 14.1(2) due to an act or omission of a distributor, the distributor must compensate the payment to the retailer.	
<b>Observations</b> Horizon Power acts as both the retailer and distributor. Therefore, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 311</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 14.2(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>311</b>	Subject to clause 14.6, if a retailer is liable to and makes a payment under subclause 14.2(1) due to an act or omission of a distributor, the distributor must compensate the payment to the retailer.	
<b>Observations</b> Horizon Power acts as both the retailer and distributor. Therefore, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 313, 314</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Electricity Industry Act, section 82		
<b>Licence Obligation:</b> Code of Conduct, clause 14.4(1), 14.5		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>313</b>	Subject to clause 14.6, a distributor must pay the customer \$20 if the distributor has failed to acknowledge or respond to a complaint within the timeframes prescribed in subclause 12.1(4).	
<b>314</b>	Subject to subclause 14.6, if a distributor disconnects a customer's supply address other than as authorised by this Code or otherwise by law, or as authorised by a retailer, then the distributor must pay the customer \$100 for each day that the customer was wrongfully disconnected.	
<b>Observations</b> Horizon Power acts as both the retailer and distributor. Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 324</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.3B		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>324</b>	If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flows or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within two business days.	
<b>Observations</b> On examination of documentation provided by Customer Service staff, it was identified that during the audit period, Horizon Power had developed a suite of draft documents including Communication Rules, Link Criteria, Metering Price Schedule and Service Level Agreement. Upon further inquiry with the Meter Data Coordinator, it was noted that the documents had been prepared by the Contract Business Analyst, in preparation for a potential electricity retailer becoming a user of Horizon Power's NWIS network.  Through discussions with Customer Business Analyst and Manager Customer Service, examination of drafted documents, and consideration of events during the audit period, it was determined that: <ul style="list-style-type: none"> <li>At the time of fieldwork, negotiations were still underway and there was no evidence identified which indicated that the retailer was, or would definitely become, a user;</li> <li>There was no signed access contract identified during fieldwork between Horizon Power and the potential retailer. Correspondingly, the potential retailer did not have 'access', as defined at Clause 1.3 of the <i>Electricity Industry (Metering) Code 2012</i>, to the Horizon Power network during the audit period;</li> <li>Horizon Power remained both the network operator and sole retailer, distributor and metering data agent on its network during the audit period. The Manager Customer Service confirmed that there were no other persons who had access to its networks during the audit period; and</li> <li>As there were no users who could be in a position to notify Horizon Power of changes in a metering point resulting in bi-directional flows, compliance with this obligation cannot be assessed.</li> </ul> Based on enquiries and observation, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 329</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.5(6)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>329</b>	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 that it has with the user.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator and Retail Services Operator it was noted that Horizon Power did not have any users accessing its networks during the audit period. As Horizon Power did not have any users accessing its networks during the audit period, there were no applicable service level agreements in place, or persons to impose such charges on.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 335</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.9(9)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>335</b>	If compensation is carried out within the meter, then the resultant metering system error must be as close as practicable to zero.	
<b>Observations</b>		
Through discussions with the Meter Services Manager and Senior Metering Technician, and examination of relevant documents it was determined that:		
<ul style="list-style-type: none"> <li>Horizon Power relies on its Metrology Procedure and Metering Management Plan to ensure that its meters meet the required accuracy requirements under the <i>Code</i>.</li> <li>Where a metering installation is identified as measuring outside the allowed accuracy limits, Horizon Power will replace the meter with one that is measuring accurately, or instruct the customer to replace the metering installation with one that meets the prescribed accuracy requirements.</li> <li>The only circumstance in which Horizon Power would consider applying compensation to a metering installation is if replacement of the meter or alteration to the metering installation so that it meets the prescribed accuracy requirements, is not possible. Even in this scenario, Horizon Power would apply compensation within its digital systems (i.e. mData21) rather than within the physical meter itself.</li> <li>There were no instances where compensation was carried out within a meter on Horizon Power’s network during the audit period.</li> </ul>		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 338</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.11(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>338</b>	If an outage or malfunction occurs to a metering installation, the network operator must repair the metering installation in accordance with the applicable service level agreement.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator, Manager Customer Service, and Retail Services Operator it was noted that Horizon Power did not have any users accessing its networks during the audit period. As Horizon Power did not have any users accessing its networks during the audit period, and there were no service level agreements in place under which it could have made metering installation repairs in accordance with, an assessment of this obligation is not possible.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 346</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.13(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>346</b>	A network operator must procure the user, or the user’s customer, to install, or arrange for the installation of, a full check metering installation or partial check metering installation in accordance with the prescribed requirements.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator and Retail Services Operator it was noted that Horizon Power did not have any users accessing its networks during the audit period.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 355</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.20(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>355</b>	If reasonably requested by a Code participant, a network operator must provide enhanced technology features in a metering installation.	
<b>Observations</b>		
<p>Through initial discussions with the Meter Data Coordinator, reference to previous performance audits, and information supporting the assessment that obligations relating to 'users' are not assessable, it was identified that obligations with requirements relating to Code Participants were potentially not assessable.</p> <p>As per Clause 1.2 of the <i>Electricity Industry (Metering) Code 2012</i>, code participant is defined as each of the following:</p> <ul style="list-style-type: none"> <li>(a) network operator;</li> <li>(b) retailer;</li> <li>(c) generator;</li> <li>(d) electricity networks corporation acting as the metering data agent;</li> <li>(e) user who is not a retailer or generator and has an access contract at a connection point on a network of which the network operator is a Code Participant;</li> <li>(f) The Independent Market Operation (IMO) to the extent that the market rules provide; and</li> <li>(g) The Economic Regulatory Authority (the Authority).</li> </ul> <p>Through discussions with Manager Customer Service and consideration of the roles of the IMO and the Authority, it was determined that:</p> <ul style="list-style-type: none"> <li>• The note associated with the definitions of 'network operator', 'retailer', and 'generator' states that under Clause 1.2, the respective definitions only apply to certain network operators / retailers / generators, not all;</li> <li>• Clause 1.2 states that the code applies to a network operator (Horizon Power) only to the extent that a condition of a licence requires it to do so. Therefore, obligations referring to 'code participants' is assessed as only applying to Code Participants who are related to the network associated with Horizon Power's licence;</li> <li>• There were no relevant code participants falling under the definition of Clause 1.2 (a)-(e); and</li> <li>• It was assessed and confirmed with relevant Customer Staff for all obligations relating to code participants, that the IMO and the Authority were not relevant code participants for the requirements of those obligations.</li> </ul> <p>It was confirmed by the Meter Services Manager and Meter Data Coordinator that the IMO and Authority would not make requests for enhanced technology features in Horizon Power's metering installations under Clause 3.20 (1), and had not done so during the audit period.</p> <p>Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 356</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.20(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>356</b>	A network operator may only impose a charge for the provision of metering installations with enhanced technology features in accordance with its applicable service level agreement with the user.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator and Meter Services Manager and examination of relevant documentation, it was determined that Horizon Power did not have any users accessing its networks during the audit period. As Horizon Power did not have any users accessing its networks during the audit period, and there were no applicable service level agreements in place, or persons to impose any such charges on.		
Based on enquiries and observation, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 360, 361</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.23(a) and 3.23(b)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>360</b>	Where signals are provided from the meter for the user or the user’s customer, a network operator must ensure that signals are isolated by relays or electronic buffers to prevent accidental or malicious damage to the meter.	
<b>361</b>	Where signals are provided from the meter for the user or the user’s customer, a network operator must provide the user, or the user’s customer, with sufficient details of the signal specification to enable compliance with clause 3.23(c) of the Code.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator, Manager Customer Service and Meter Services Manager, and examination of relevant documents, it was determined that Horizon Power did not have any users accessing its networks during the audit period.		
Based on enquiries and observation, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 362, 363</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 3.24A(1) & 3.24B(1)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>362</b>	If a retailer requests a network operator to install a pre-payment meter at a connection point, then the pre-payment meter must be sufficient to enable the retailer to comply with the retailer's obligations under the Code of Conduct.	
<b>363</b>	If a retailer requests a network operator to replace a pre-payment meter at a connection point with a meter that is not a pre-payment meter, then the network operator must do so in accordance with this Code and the Code of Conduct.	
<b>Observations</b>		
<p>Through discussions with the Meter Data Coordinator, Manager Customer Service, and Meter Services Manager, it was noted that Horizon Power did not have any other retailers accessing its networks during the audit period. As Horizon Power is both the sole retailer and the network operator on its network, and these obligations impose requirements for a network operator to act upon a retailer's request, an assessment of these obligations is not possible.</p> <p>Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 371, 374, 375</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 4.4(1), 4.6(1) & 4.6(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>371</b>	If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.	
<b>374</b>	If the network operator is notified of a change to, or inaccuracy in, an item of standing data by a Code participant that is the designated source for the item of standing data under Table 2 in clause 4.3(1), then the network operator must update the registry to reflect the change to, or correct the inaccuracy in, the standing data.	
<b>375</b>	If a network operator is notified of a change to, or inaccuracy in, an item of standing data by a Code participant which is not the designated source for the item of standing data, or otherwise becomes aware of a change to or inaccuracy in an item of standing data, then the network operator must undertake investigations to the standard of good electricity industry practice to determine whether the registry should be updated, and update the registry as required.	
<b>Observations</b>		
<p>It was confirmed through discussions with Horizon Power staff that there were no other relevant network operators, retailers, generators, metering data agents or users on Horizon Power's networks during the audit period. Further, the IMO and Authority are not considered to be relevant Code Participants for the purposes of these obligations.</p> <p>Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.</p>		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 376, 377</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 4.7(1) and clause 4.8(3)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>376</b>	If standing data for a metering point is updated in the registry, the network operator must, within 2 business days after the update (or such other time as is specified in the applicable service level agreement) notify the update to the current user and each previous user, if the updated standing data relates to a period or periods when the previous user was the current user.	
<b>377</b>	A network operator must allow a user who is a retailer or a generator to have local and, where a suitable communications link is installed, remote access to the energy data for metering points at its associated connection points, using a password provided by the network operator that provides 'read only' access.	
<b>Observations</b> Through discussions with the Meter Data Coordinator and Retail Services Operator it was noted that Horizon Power did not have any users accessing its networks during the audit period.  Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 378</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 4.8(3A)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>378</b>	A network operator must allow a user who is a retailer or a generator to have access to data held in its metering database for metering points at its associated connection points, by means of a website, or otherwise by remote access to a "data storage device" as that expression is defined in the Electronic Transactions Act 2003), using a password provided by the network operator which provides 'read only' access.	
<b>Observations</b> Through discussions with the Meter Data Coordinator, it was noted that: <ul style="list-style-type: none"> <li>• Horizon Power manages its own metering database in-house;</li> <li>• As Horizon Power is both the network operator and the sole retailer, appropriate access is provided for retail activities; and</li> <li>• There are no generators that are users on Horizon Power's network who would require access into the metering database.</li> </ul> Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b> N/A		

<b>Compliance Manual Reference: 383, 384</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.1(1) and clause 5.1(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>383</b>	A network operator must use all reasonable endeavours to accommodate another Code participant's requirement to obtain a metering service and requirements in connection with the negotiation of a service level agreement.	
<b>384</b>	Without limiting sub clause 5.1(1), a network operator must expeditiously and diligently process all requests for a service level agreement and negotiate its terms in good faith, and, to the extent reasonably practicable in accordance with good electricity industry practice, permit a Code participant to acquire a metering service containing only those elements of the metering service which the Code participant wishes to acquire.	
<b>Observations</b>		
It was confirmed through discussions with Horizon Power staff that there were no other network operators, retailers, generators, metering data agents or users on Horizon Power's networks with the capacity to make such a request during the audit period.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 389</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.5(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>389</b>	Subject to sub clause 5.5(2A) (b), a network operator may impose a charge for the provision of data, but only if a user has requested the energy data to the extent permitted by, and in accordance with the applicable service level agreement between it and the user, and if a customer has given a direction under sub clause 5.17A (1), in accordance with the prescribed conditions.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator and Retail Services Operator it was noted that Horizon Power did not have any users accessing its networks during the audit period.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

Compliance Manual Reference: 391, 392, 393, 394, 395		Compliance Rating NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.6(1), 5.7, 5.8, 5.9 & 5.10		Reporting Type 2
<b>Obligation Description</b>		
391	Subject to sub clause 5.6(2), a network operator must provide validated, and where necessary, substituted or estimated energy data for a metering point to the user for the metering point and the IMO/AEMO within the timeframes prescribed in sub clause 5.6(1)(2).	
392	If a replacement energy data value is inserted in a metering database for a metering point, the network operator must provide replacement energy data to the user for the metering point and the IMO/AEMO within the timeframes prescribed.	
393	A network operator must provide a user with whatever information the network operator has that is necessary to enable the user to comply with its obligations under the Code of Conduct, within the time necessary for the user to comply with the obligations.	
394	A network operator must provide standing data, provided to or obtained by it under this Code, to users where required to do so under any enactment.	
395	A network operator must provide a subset of the standing data to a retailer in accordance with the provisions of Annex 4 of the Customer Transfer Code.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator, Manager Customer Service and Meter Services Manager, it was noted that Horizon Power did not have any users accessing its networks during the audit period. It was confirmed with the Manager Customer Services and Meter Data Coordinator that the Australian Energy Market Operator (AEMO) had not taken any actions during the audit period in relation to these obligations.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

Compliance Manual Reference: 397, 398, 399		Compliance Rating NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.12(1)		Reporting Type 2
<b>Obligation Description</b>		
397	If a user gives a network operator an energy data request for a metering point in accordance with the communication rules, and the energy data request relates only to a time or times for which the user was the current user at the metering point, then the network operator must provide a user with a complete set of energy data for the metering point within the timeframes prescribed.	
398	If the current user for a metering point gives the network operator a standing data request for the metering point in accordance with the communication rules then the network operator must provide the current user with a complete current set of standing data for a metering point and advise whether there is a communications link for the metering point, within the timeframes prescribed.	
399	If a user makes a bulk standing data request, the network operator must in accordance with the communication rules, acknowledge receipt of the request and provide the requested standing data within the timeframes prescribed.	
<b>Observations</b>		
As Horizon Power did not have any users accessing its networks during the period subject to audit, compliance with these obligations cannot be rated.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 400</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.15		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>400</b>	If a network operator provides energy data to a user or the IMO/AEMO it must also provide the date of the meter reading in accordance with the requirements specified.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator and Retail Services Operator it was noted that Horizon Power did not have any users accessing its networks during the audit period. As Horizon Power was the sole retailer and network operator of its network during the audit period, it was not possible for Horizon Power provide energy data to another user and no requests for energy data were received from AEMO		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 409</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.19(5)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>409</b>	A network operator must give notice to a user, or (if there is a different current user) the current user, acknowledging receipt of any customer, site or address attributes from the user within the timeframes prescribed.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator and Retail Services Operator it was noted that Horizon Power did not have any users accessing its networks during the audit period. As Horizon Power was the sole retailer and network operator of its network during the audit period, it is not possible for Horizon Power to give notice to other users acknowledging receipt of any customer, site or address attributes.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

Compliance Manual Reference: 411, 412, 413, 414, 415		Compliance Rating NP / NR
Licence Clause: Integrated Regional Licence, condition 5.1		
Licence Obligation: Electricity Industry Metering Code, clause 5.20(1), 5.20(2), 5.20(4), 5.21(2) & 5.21(4)		Reporting Type 2
<b>Obligation Description</b>		
411	A network operator must, by not later than 6 months after the date this Code applies to the network operator, develop, in accordance with the communication rules, an Energy Data Verification Request Form.	
412	An Energy Data Verification Request Form must require a Code participant to provide the information prescribed.	
413	If a Code participant requests verification of energy data under subclause 5.20(3), the network operator must, in accordance with the metrology procedure, subject to subclause 5.20(5), use reasonable endeavours to verify energy data and inform the requesting Code participant of the result of the verification and provide the verified energy data within the timeframes prescribed.	
414	A network operator must comply with any reasonable request under subclause 5.21(1).	
415	A test or audit under subclause 5.21(1) is to be conducted in accordance with the metrology procedure and the applicable service level agreement.	
<b>Observations</b>		
The Retail & Community Manager and Meter Services Manager confirmed that, during the period 1 April 2015 to 31 March 2017, there were no Code participants with the capacity to make a request during the period.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

Compliance Manual Reference: 418, 419, 420, 421		Compliance Rating NP / NR
Licence Clause: Integrated Regional Licence, condition 5.1		
Licence Obligation: Electricity Industry Metering Code, clause 5.21(8), 5.21(9), 5.21(11) & 5.21(12)		Reporting Type 2
<b>Obligation Description</b>		
418	A network operator may only impose a charge for the testing of the metering installations, or auditing of information from the meters associated with the metering installations, or both, in accordance with the applicable service level agreement between it and the user.	
419	Any written service level agreement entered into under subclause 5.21(7) must include a provision that no charge is to be imposed if the test or audit reveals a non-compliance with this Code.	
420	If a test or audit shows that the accuracy of the metering installation or information from the meter associated with the metering installation does not comply with the requirements under this Code, the network operator must advise the affected parties as soon as practicable of errors detected under a test or audit, the possible duration of the errors, and must restore the accuracy of the metering installation in accordance with the applicable service level agreement.	
421	The original stored error correction data in a meter must not be altered except during accuracy testing and calibration of a metering installation.	
<b>Observations</b>		
Through discussions with the Meter Data Coordinator and Retail Services Operator it was noted that Horizon Power did not have any users accessing its networks during the audit period. As Horizon Power did not have any users accessing its networks during the audit period, there are no service level agreements in place; tests to conduct on behalf of persons; or persons to impose such a charge on. As no tests were conducted in the context of this obligations, no errors could or would have been detected, and therefore no original stored error correction data was altered.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 425</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.22(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>425</b>	If a network operator detects a loss of energy data or incorrect energy data from a metering installation, it must notify each affected Code participant of the loss or error within 24 hours after detection.	
<b>Observations</b>		
Through discussions with Manager Customer Service and consideration of the roles of the IMO/AEMO and the Authority, it was determined that:		
<ul style="list-style-type: none"> <li>The note associated with the definitions of 'network operator', 'retailer', and 'generator' states that under Clause 1.2, the respective definitions only apply to certain network operators/retailers/generators, not all;</li> <li>Clause 1.2 states that the code applies to a network operator (Horizon Power) only to the extent that a condition of a licence requires it to do so. Therefore, obligations referring to 'code participants' is assessed as only applying to Code Participants who are related to the network associated with Horizon Power's licence;</li> <li>There were no relevant code participants falling under the definition of Clause 1.2 (a)-(e); and</li> <li>It was assessed and confirmed with relevant Customer Staff for all obligations relating to code participants, that the IMO and the Authority were not relevant code participants for the requirements of those obligations.</li> </ul>		
It was confirmed by the Meter Services Manager and Meter Data Coordinator that the IMO/AEMO and Authority would not be considered an 'affected' Code participant in the event Horizon Power detected a loss of energy data or incorrect energy data from a metering installation.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 433</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 5.24(4)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>433</b>	A network operator (acting in accordance with good electricity industry practice) must consider any reasonable request from a Code participant for an estimated or substituted value to be replaced under subclause 5.24.	
<b>Observations</b>		
It was confirmed through discussions with Horizon Power staff that there were no other network operators, retailers, generators, metering data agents or users on Horizon Power's networks with the capacity to make such a request during the audit period. Therefore compliance with this obligation cannot be tested.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 448A, 448B, 448C, 448D</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 6.2		<b>Reporting Type</b> NR
<b>Obligation Description</b>		
<b>448A</b>	A network operator must, as soon as practicable and in any event no later than six months after the date this Code applies to it, submit to the ERA for its approval the prescribed documents in subclauses 6.2(a)-(d).	
<b>448B</b>	A network operator must publish the document within 10 business days after notification of the ERA's approval under subclauses 6.13(1) (a) (i), 6.16 or 6.17.	
<b>448C</b>	A network operator must publish its communication rules as soon as practicable, and in any event within 6 months after the date this Code applies to it.	
<b>448D</b>	Once communication rules have been published for a network under clause 6.19A, or amended under clause 6.21(3), the communication rules may only be amended thereafter in accordance with the communication rules made under subclause 6.7(1) (k) or clause 6.19C.	
<b>Observations</b>		
It was noted that Horizon Power submitted its original Metrology Procedure and Mandatory Link Criteria in 2006. As this falls outside the current performance audit period, compliance with this obligation against this event has not been assessed.		
Based on enquiries and observation, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 449, 450</b>		<b>Compliance Rating</b> NA / NA
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 6.20(4) & 6.20(5)		<b>Reporting Type</b> NR (449), 2 (450)
<b>Obligation Description</b>		
<b>449</b>	A network operator must amend any document in accordance with the ERA's final recommendation.	
<b>450</b>	The network operator must publish any document that has been amended under subclause 6.20(4).	
<b>Observations</b>		
The Manager Customer Service confirmed that Horizon Power was not required to amend any document in accordance with the Authority's findings during the audit period.		
It was noted during fieldwork that on 12 April 2017, Horizon Power submitted an updated Metrology Procedure and Mandatory Link Criteria to the Authority for review. As this falls outside the audit period (1 April 2015 to 31 March 2017) for this performance audit, an assessment of this action against relevant obligations has not been performed.		
Based on enquiries and observation, it was concluded that the licence condition was not applicable to Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NA – Not Applicable	
<b>Compliance Rating</b>	NA – Not Applicable	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 452</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 7.2(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>452</b>	A network operator must notify each Code participant of its initial contact details and of any change to its contact details at least three business days before the change takes effect.	
<b>Observations</b>		
The Customer Service Manager confirmed that Horizon Power had not made any changes to its contact details during the audit period.		
It was noted during fieldwork that on 12 April 2017, Horizon Power submitted an updated Metrology Procedure and Mandatory Link Criteria to the Authority for review. As this falls outside the audit period (1 April 2015 to 31 March 2017) for this performance audit, an assessment of this action against relevant obligations has not been performed.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 457, 458, 459, 460, 461</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry Metering Code, clause 8.1(1) – (4) & 8.3(2)		<b>Reporting Type</b> NR (457, 458, 459, 461), 2 (460)
<b>Obligation Description</b>		
<b>457</b>	If any dispute arises between any Code participants then (subject to subclause 8.2(3)) representatives of disputing parties must meet within five business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.	
<b>458</b>	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.	
<b>459</b>	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.	
<b>460</b>	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.	
<b>461</b>	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	
<b>Observations</b>		
For the purpose of the <i>Metering Code</i> , “disputes” refers to metering disputes between Horizon Power as the network operator, and another: retailer; generator; metering data agent; user; the IMO/AEMO or the Authority as a code participant, the subject matter of which is not also an access dispute under the <i>Access Code</i> , a dispute under the market rules, a dispute or a complaint under the Code of Conduct, or a dispute under the Customer Transfer Code.		
As Horizon Power managed and administered all meter reading activities in-house during the audit period, Horizon Power could not have had a dispute with a retailer, generator, metering data agent or user within the meaning given under these obligations. It was confirmed but management that there were no disputes with IMO/AEMO or the Authority during the audit period.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		



<b>Compliance Manual Reference: 470</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 14(8)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>470</b>	A distributor or transmitter must, on request, provide to an affected customer a free copy of an instrument issued by the Minister and of any notice given under section 14(7) of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	
<b>Observations</b>		
Through discussions with the Strategic Asset Management Consultant, it was noted that during the audit period (1 April 2015 to 31 March 2017) no relevant instrument has been issued by the Minister or notice given under section 14(7) of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 471</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Integrated Regional Licence, condition 5.1		
<b>Licence Obligation:</b> Electricity Industry (Network Quality and Reliability of Supply) Code 2005, clause 15(2)		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>471</b>	A distributor or transmitter that agrees with a customer to exclude or modify certain provisions must set out the advantages and disadvantages to the customer of doing so in their agreement.	
<b>Observations</b>		
Through discussions with the Strategic Asset Management Consultant, it was noted that during the audit period (1 April 2015 to 31 March 2017) no provisions of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 have been excluded or modified by Horizon Power.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 486</b>		<b>Compliance Rating</b> NP / NR
<b>Licence Clause:</b> Horizon Power Integrated Regional Licence, Schedule 2, condition 2.1		
<b>Licence Obligation:</b> Electricity Industry (Licence Conditions) Regulation, regulation 8		<b>Reporting Type</b> 2
<b>Obligation Description</b>		
<b>486</b>	The licensee must submit to the Coordinator a draft renewable source electricity contract by the time specified in the Act or by the Coordinator.	
<b>Observations</b>		
Through discussions with the Energy Planning & Pricing Manager, it was noted that a draft renewable source electricity contract has not been submitted to the Coordinator during the audit period.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

<b>Compliance Manual Reference: 490, 491, 492</b>		<b>Compliance Rating NP / NR</b>
<b>Licence Clause:</b> Integrated Regional Licence, Schedule 2, condition 4.1, 4.2 & 4.3		
<b>Licence Obligation:</b> Electricity Industry Act, section 61, 62, 64 & 65		<b>Reporting Type NR</b>
<b>Obligation Description</b>		
<b>490</b>	The licensee must submit to the Coordinator a draft extension and expansion policy within the specified timeframe.	
<b>491</b>	The licensee must comply with a direction given by the Coordinator in relation to a draft extension and expansion policy or an amendment to an extension and expansion policy.	
<b>492</b>	The licensee must implement arrangements set out in an approved extension and expansion policy.	
<b>Observations</b>		
Through discussion with the Strategic Asset Management Consultant, supplemented with an examination of Horizon Power's supply and expansion noted that Horizon Power has not submitted a draft the extension and expansion policy to the Coordinator during audit period.		
Therefore, it was concluded that the obligation is not performed and not rated for Horizon Power during the audit period.		
<b>Adequacy of Controls Rating</b>	NP – Not Performed	
<b>Compliance Rating</b>	NR – Not Rated	
<b>Corrective Action/Opportunity for Improvement</b>		
N/A		

# Appendix 1

## Licensee's representatives who participated in the audit

The table below outlines key personnel who were involved in discussions and contributed to the findings detailed in this Audit Report.

#	Name	Title
1	Marc Beckx	Manager Engineering & Project Services
2	Justin Murphy	Strategic Asset Management Consultant
3	Lorrie Di Cicco	Asset Services Delivery Review Manager
4	Jeff Campbell	IT Security Risk & Governance Specialist
5	Paul Thomas	Manager Technology
6	Terry Corfield	Technology Regulation & Compliance Officer
7	Luke Boswarva	Risk & Audit Specialist
8	Liang Tay	Risk & Audit Manager
9	Geoff White	Manager Customer Service
10	Terry Absolon	Acting Manager Customer Service
11	Tara Stigwood	Retail & Community Manager
12	Sophie Turner	Meter Data Officer
13	Joe Griessmann	Manager Midwest Business
14	Craig Deetlefs	Retail & Community Manager (Carnarvon)
15	Adrian Ham	Retail Services Manager
16	Kel Garbellini	Project Assistant
17	Alistair Trolove	Manager Capacity Management Support
18	Sam Sinclair	Pre-payment Metering Administrator
19	Chris Dillon	Customer Service Officer
20	Greg Will	Meter Services Manager
21	Layton Baker	Manager Goldfields Esperance Business

# Appendix 2

## Key Documentation and information sources

The table below outlines all documents used in this Audit Report.

#	Name
1	Horizon Power Metrology 2014 Final Policy
2	Horizon Power Metrology Procedure 6 Sept 2006
3	Horizon Power WA Distribution Connections Manual
4	Electricity Industry (Metering) Code 2012
5	Code of Conduct (Supply of Electricity to Small Use Customers) 2016
6	Horizon Power Distribution Design Catalogue – Low Voltage Metering
7	Meter Read Success Profile
8	Metrology Procedure Letter to ERA April 2017
9	Horizon Power Technical Requirements for Revenue Electricity Meters
10	Horizon Power Mandatory Link Criteria 2006
11	Metrology Link Criteria 2017
12	Customer Services Metering Testing Spreadsheet
13	Special Reads
14	Substitute Reads – Dupes included
15	Actual Read Gaps more than 12 months – including NMI
16	Metering Data screenshots
17	Customer Charter June 2016
18	Residential Customer Standard bill
19	Reminder Notice example
20	Disconnection Warning example
21	Horizon Power Website
22	Horizon Power Website Metrology Procedure (Metering)
23	Service Standard payments Claims Register
24	Power Ahead App Brochure
25	ServiceWorks Training Register from 1 March 2015
26	Documentation retention and archiving process
27	WI White Mail Process
28	Connection Application Form
29	ERA Compliance Report 1 July 2015 to 30 June 2016
30	Work instruction – Hardship Utilities Grant Scheme
31	Hardship and HUGS Overview
32	Example of declined HUGS application response

<b>33</b>	Financial Hardship Procedure
<b>34</b>	HUGS Evaluations 2017
<b>35</b>	Financial Hardship Policy
<b>36</b>	Payment Arrangement Set up in Velocity
<b>37</b>	Payment Arrangement Letter
<b>38</b>	Hardship Documents to FCAWA and WACOSS for review
<b>39</b>	Screenshot – Dedicated Financial Hardship Outlook Inbox
<b>40</b>	Financial Hardship Policy Guidelines - August 2010
<b>41</b>	ServiceWorks CSR Scripts
<b>42</b>	Example Welcome Letter
<b>43</b>	On the Horizon – September-October 2015 Concessions
<b>44</b>	Complaints Report 2015-2016 & 2016-2017
<b>45</b>	Processing of Customer Complaints – Regions
<b>46</b>	Complaints Process
<b>47</b>	Ombudsman Complaints
<b>48</b>	Complaints overview - Training
<b>49</b>	ERA Customer Complaints Guidelines
<b>50</b>	Bill with tariff variation message
<b>51</b>	Electricity Tariffs and Charges Brochure
<b>52</b>	Daily Complaints Report
<b>53</b>	Viewpoint screenshot
<b>54</b>	On the Horizon – July-August 2015, May-June 2016
<b>55</b>	Horizon Power Metrology Procedure – ERA Approved
<b>56</b>	Buttah Windee Community – Account Number 130592
<b>57</b>	Coordinator of Energy – request for approval of 2015-16 buyback prices
<b>58</b>	Coordinator of Energy – REBS approval 2015
<b>59</b>	Coordinator of Energy – Approval for 2015-16 buyback prices
<b>60</b>	Requesting REBS buyback price approval from the Coordinator of Energy
<b>61</b>	Coordinator of Energy direction on REBS 2016-17
<b>62</b>	Account Establishment form & form letter
<b>63</b>	Cancellation of payment letter
<b>64</b>	Sample letter Debbie Marshall
<b>65</b>	AS NZS 10002-2014 Guidelines for complaint management in organizations
<b>66</b>	Customer Care billing and CIS service agreement – Oct 2014
<b>67</b>	Approval of Auditor – Performance Audit – EIRL002
<b>68</b>	Approval of Auditor Performance Audit 01 April 2015
<b>69</b>	ERA letter confirming outcome of 2014 Asset Management System Review
<b>70</b>	ERA – Letter to David Tovey in regards to Approval of Audit Plan
<b>71</b>	ERA Licence Payments
<b>72</b>	2015 Annual Licence Charge Invoice
<b>73</b>	2015 January, April, July, October Standing Charge Invoice
<b>74</b>	2016 Annual Licence Charge Invoice
<b>75</b>	2016 January, April, July, October Standing Charge Invoice
<b>76</b>	Guideline – Easements, Restrictive Covenants, and Powers to Access Land June 2015

<b>77</b>	Easement Purchase Order
<b>78</b>	Document E N105305 Onslow Gas Lateral Easement over Lot 556
<b>79</b>	Easement N006059 over Lot 881 for access to Lot 880
<b>80</b>	Password Policy
<b>81</b>	Mdata21 Log-in Page Screenshot
<b>82</b>	E350 Hardware Brochure
<b>83</b>	Intrusion Security Monitoring Dashboard
<b>84</b>	Horizon Power – Crisis and Emergency Management Handbook
<b>85</b>	Evidence of website display error
<b>86</b>	2014-15 & 2015-16 Electricity Reporting datasheets – retail, network quality and reliability code, distribution
<b>87</b>	WA Distribution Connections Manual
<b>88</b>	NQRS Data 2009
<b>89</b>	NQRS Report, Independent Audit Report 2015 & 2016
<b>90</b>	Publish NQRS 2015, 2016
<b>91</b>	NQRS report 2015, 2016 to minister
<b>92</b>	Memorial Ave Planned Outage Letter
<b>93</b>	Monkey Mia Rd Planned Outage Letter
<b>94</b>	North River Road Planned Outage Letter
<b>95</b>	Critical Customer Policy
<b>96</b>	Esperance - Esperance District Contingency Plan
<b>97</b>	NIS – Non-Complex Business Case – Esperance Fire Response
<b>98</b>	Kimberley District Contingency Plan 2015
<b>99</b>	Gascoyne & Midwest Network Contingency Plan
<b>100</b>	NWIS - East Pilbara Distribution Contingency Plan
<b>101</b>	West Pilbara Contingency Plan
<b>102</b>	Emergency Cyclone, Severe Storm, and Floor Procedure
<b>103</b>	Horizon Power Asset Management Strategy and System 2015
<b>104</b>	Operations Master Priority Restoration Feeders
<b>105</b>	SCADA – Outsourced Services Contract with Calibre Global
<b>106</b>	Financial Statements required
<b>107</b>	2015-16, 2014-15 Financial Report
<b>108</b>	EWOWA Annual Report
<b>109</b>	Directions from ERA – out of the ordinary
<b>110</b>	Horizon Power Technical Rules NWIS & NIS
<b>111</b>	Power Quality Investigations Handbooks
<b>112</b>	SAIDI SAIFI CAIFI fact sheet
<b>113</b>	Operational Technology Vision April 2017
<b>114</b>	Customer Service Charter
<b>115</b>	Monthly Asset Management Report
<b>116</b>	Pricing Policy
<b>117</b>	Email – No amendment of Standard Form contract
<b>118</b>	De-energisation for non-payment treatment cycle
<b>119</b>	Estimated Bill Template
<b>120</b>	Billing Procedure

<b>121</b>	Standard Form Contract – Feb 2017
<b>122</b>	Customer Service Policy
<b>123</b>	Complaints Overview
<b>124</b>	Processing of Customer Complaints
<b>125</b>	Hardship Utilities Grant Scheme Work Instruction
<b>126</b>	Annual Compliance Report 2014-2015
<b>127</b>	Pre-payment Gazettal
<b>128</b>	Horizon Power Operating Area Map
<b>129</b>	Pre-payment Work Instructions
<b>130</b>	AMI – Life Support Process
<b>131</b>	Life Support Automated E-mail
<b>132</b>	Life Support Procedure for flagging a customer in Velocity
<b>133</b>	Planned Power Interruption Form
<b>134</b>	Annual Compliance Report 2015-2016
<b>135</b>	Validation Reasons (Unbilled)
<b>136</b>	Unbilled Report greater than 90 days
<b>137</b>	Standard Bill Template
<b>138</b>	Alternate Tariff Brochure
<b>139</b>	Credit Management Process Flow Map
<b>140</b>	Serviceworks New Connections Process
<b>141</b>	New Connections exceeding 20 business days
<b>142</b>	Extended 20 business day new connections letter
<b>143</b>	Direct Debit Form
<b>144</b>	Extended Outage Payment Scheme (EOPS) Process
<b>145</b>	Meter Test Process Map
<b>146</b>	Credit Management Process Flow Map
<b>147</b>	Debt Recover Process Flow
<b>148</b>	Debt Collection Process
<b>149</b>	Horizon Power Welcome Letter
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# Appendix 4



## Post Audit Implementation Plan

Note – this plan does not form part of KPMG’s audit findings.

### Unresolved during current audit period.

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors’ Recommendation	Management Action to be taken
1/2017	<p><b>Non Compliance</b>  <b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 158:</b> Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.</p> <p><b>Details:</b>                      Sample based testing of 15 regional customers identified one instance during the performance audit period, 1 April 2015 to 31 March 2017, where an actual meter reading for a non-advanced meter has not been performed at least once in a 12 month period. Horizon Power’s advanced meters automatically send reads of the meter into the Meter Data Repository every 15 minutes which is uploaded into mData21 overnight and therefore does not require physical inspection of meters to prepare invoices unless the connection is lost from the meter for more than 12 months.</p>	<p>Regional Managers are to reinforce with staff the importance of following the annual read process and to arrange training as required for using existing monitoring and reporting mechanisms to track outstanding must read service order due dates against actual service order completion dates.</p>	<p>Esperance depot has engaged contract resources to ensure annual reads for the 159 residual meters are captured in a timely manner. This arrangement will continue until such time as meter communications are at the point where manual meter readings are no longer required. There are no further non-compliant exchangeable residual meters in any other region apart from the Esperance region. All meters currently not exchanged in other areas, (and some in the Esperance Area), are not exchanged due to safety breaches, pending supply</p>

	<p>It is noted that in response to similar instances of non-compliance identified in the previous performance audit, Horizon Power proposed the following action plan in May 2015 for completion in September 2015 to ensure meter reading data is obtained as frequently as required to prepare its bills;</p> <ol style="list-style-type: none"> <li>1. Customer Service will continue with its existing continual process improvement methodology through weekly reporting and root cause analysis;</li> <li>2. Process enhancements will be implemented, if identified;</li> <li>3. Regional Managers are to reinforce with staff the importance of following the process.</li> </ol> <p>It has been noted that following the completion of the Meter Exchange Project, the advanced meters will incorporate remote facilitation of meter reads and the likelihood of breaches will be further reduced.</p> <p>However, based on discussions with the Retail &amp; Community Manager (Gascoyne) it was identified there was a lack of awareness of the current established procedural documentation, accessible in the Learning Guide, in relation to performing estimated reads and manual actual reads for advanced meters. Additionally, there is capability to generate a reports to monitor must read service order due dates against actual service order completion dates, however the Regional Offices are not currently using these monitoring mechanisms.</p>		<p>abolishment or the 23 customers who have refused the exchange.</p> <p><b>Action Plan:</b> Recommendation accepted and process has been reinforced in May 2017. This will discussed again at a Regional Managers forum in Perth in August 17.</p> <p><b>Responsible Officer:</b> Manager Goldfields Esperance Business</p> <p><b>Due Date:</b> August 2017.</p>
2/2017	<p><b>Controls Improvement</b> <b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b></p> <p>211 - If a residential customer is experiencing payment difficulties, a retailer must offer the residential customer at least the following payment arrangements:</p> <ul style="list-style-type: none"> <li>- additional time to pay a bill; and</li> <li>- if requested by the residential customer, an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.</li> </ul> <p>212 - If a residential customer is experiencing financial hardship, a retailer must offer the residential customer at least the following payment arrangements:</p> <ul style="list-style-type: none"> <li>- additional time to pay a bill; and</li> </ul>	<p>Horizon Power investigate why the Serviceworks phone recording was unable to be obtained and subsequently consider if the appropriateness of implementing additional controls.</p>	<p><b>Action Plan:</b> Horizon Power has considered the recommendations, however will not be implementing additional controls unless a commercial, customer or regularity risk arises</p> <p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> Not applicable</p>

	<p>- An interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.</p> <p><b>Details:</b> Sample based testing was performed on five customers who were experiencing payment difficulties. Through observation of credit telephone calls and comments within Velocity, it was revealed that in all five instances a customer was offered the appropriate payment arrangement plan. However, testing revealed that one of the five credit call recordings could not be obtained. For this instance, testing was satisfied through the examination of comments within Velocity.</p>		
3/2017	<p><b>Controls Improvement</b> <b>Rating:</b> B / NR</p> <p><b>Legislative Obligation:</b> 238A - A distributor must use best endeavours to contact the customer, or someone residing at the supply address, prior to an interruption to restore supply to a supply address that is registered as a life support equipment address. 239 - If a distributor has already provided notice of a planned interruption that will affect a supply address, prior to the distributor registering a customer's supply address as a life support equipment address, the distributor must use best endeavours to contact that customer or someone residing at the supply address prior to the planned interruption.</p> <p><b>Details:</b> Discussions with the Regional Retail and Community Services Manager (Carnarvon) noted that it is standard practice that depot staff door knock properties affected by a planned outage and drop a planned interruption card for them. All registered life support customers are located in the Carnarvon region. Business Services Officers in Carnarvon manually check the daily life support register with the planned outages to ensure to call customers affected by a planned outage at least three days prior. Examination of the generic planned interruption form showed that it is addressed to a specific street/road address with the day, date and time of the planned interruption and shows some considerations for the customer during a planned power interruption and relevant emergency contact numbers.</p>	Regional Manager in Carnarvon to ensure staff capture detailed system notes where a life support customer and/or their caregiver has been contacted to inform of a planned outage. Management to update work instructions to capture this in the planned outages process.	<p><b>Action Plan:</b> Management to update and reinforce the work instructions regarding the following activities with the regional team, Works Delivery Coordinator and contractors, in relation to:</p> <ol style="list-style-type: none"> <li>1. the advising and capturing/recording of verbal/in-person contact in Velocity; and</li> <li>2. daily checking of life support list during outage notification periods for new registrations.</li> </ol> <p><b>Responsible Officer:</b> Retail &amp; Community Manager (Carnarvon)</p> <p><b>Due Date:</b> July 2017 Management has confirmed that this has been completed.</p>

	<p>It has been noted that there is no evidence retained demonstrating contact with a life support customer to update them on a planned outage and therefore compliance to this obligation can't be tested.</p>		
4/2017	<p><b>Controls Improvement</b> <b>Rating:</b> B / 1</p> <p><b>Legislative Obligation 257:</b> If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support equipment, a retailer must not provide a pre-payment meter service in that address; or, if applicable, comply with the prescribed requirements in sub clauses 9.5(1) (a)-(c).</p> <p><b>Details:</b> Discussions with the pre-payment meter officer determined that if a customer inquired about a pre-payment meter service but indicated a requirement for life support then Horizon Power would only offer a credit meter to that customer. It was noted that previously an Account Establishment Form which clearly stated "life support customers cannot be pre-payment customers" was widely used, however, since most pre-payment customers are now established by telephone, a review of the work instructions determined there is no prompt in the Velocity question-flow to remind the customer service operator to inquire about a customer's life support requirements. It is noted the pre-payment script includes this question when establishing pre-payment customers over the telephone.</p> <p>A comparison between the pre-payment customer meter listing and Horizon Power life support customer listing did not identify any customer who was on both listings.</p>	<p>Management to update the question flow within Velocity to include a question on whether the customer inquiring about a pre-payment meter service may also require life support.</p>	<p><b>Action Plan:</b> Horizon Power has updated its work instructions and considered the recommendations for updating the workflow, however will not be implementing additional controls unless a commercial, customer or regularity risk arises as manual process and instruction are sufficient.</p> <p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> Not applicable</p>
5/2017	<p><b>Controls Improvement</b> <b>Rating:</b> B / 1</p> <p><b>Legislative Obligation 300:</b> A retailer or a distributor must advise the customer in accordance with sub clause 12.1(3).</p> <p><b>Details:</b></p>	<p>Horizon Power investigate why the telephone recording was not able to be located to determine if additional controls are required to ensure retention of credit call recordings.</p>	<p><b>Action Plan:</b> Horizon Power has considered the recommendations, however will not be implementing additional controls unless a commercial, customer or regularity risk arises</p>

	<p>Through discussions with the Retail &amp; Services Manager and examination of the Serviceworks Complaints Process Work Instructions and Customer Charter it was noted that when responding to a complaint, Horizon Power will advise the customer that the complaint can be assessed by a senior employee. If the customer is not satisfied with how the complaint has been resolved internally, Horizon Power will advise the customer of that the complaint can be referred to the Energy Ombudsman. The Energy Ombudsman's free call number 1800 754 004 is stated on the Horizon Power website and on the customer's bill.</p> <p>When customers submit a complaint form through the Horizon Power website, it is stated that a customer may have a complaint reviewed by a senior employee. This section of the website also states if the customer is not satisfied with the outcome of a lodged complaint, the customer is able to refer the complaint to the Energy Ombudsman.</p> <p>The Retail &amp; Community Manager advised that a suite of training modules is offered to all Serviceworks staff, included in this suite of training is a module on the complaints process. Training is monitored and tracked in a spreadsheet which is updated and reviewed on a monthly basis.</p> <p>Sample based testing was performed on five customer complaints. Through observation of telephone call recordings and comments within Velocity, it was revealed that in all five instances the complaint was escalated to a senior employee or the customer was advised of the option to have the complaint escalated to a senior employee. However, this testing also revealed one of the five credit call recordings could not be located from Serviceworks. For this instance, testing criteria was satisfied through the examination of notes recorded in Velocity.</p>		<p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> Not applicable</p>
6/2017	<p><b>Non Compliance</b> <b>Rating:</b> A / 2</p> <p><b>Legislative Obligation:</b></p> <p>319 - A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and also comply with any applicable specifications or guidelines, including any transitional arrangements, specified by the National Measurement Institute under the National Measurement Act.</p> <p>326 - A network operator must ensure that there is a metering installation at every connection point on its network that is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.</p> <p>327 - For each metering installation on its network, a network operator must provide, install, operate and, subject to subclause 3.7(5), maintain</p>	Horizon Power to continue progression with the exchange of the remaining non-compliant meters and communicate with the customers associated with these meters as far as possible.	<p><b>Action Plan:</b> Horizon Power has attempted to exercise the Energy Operators Power in some of these instances and have been met with Hostility from particular customers.</p> <p>Horizon Power is concerned about the safety risk to its employees in the regions and reputational risk to Horizon Power and Government. Horizon Power will consult with the minister and will further discuss with the ERA the</p>

<p>the metering installation in the manner prescribed, unless otherwise agreed.</p> <p>330 - If a network operator becomes aware that a metering installation does not comply with the Code, it must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.</p> <p>333 - Subject to subclauses 3.9(4), 3.9(5) and 3.9(7), each metering installation must meet at least the requirements for that type of metering installation as specified in Table 3 in Appendix 1 of the Code.</p> <p>334 - A metering installation used to supply a customer with requirements above 1000 volts that requires a VT and whose annual consumption is below 750MWh must meet the relevant accuracy requirements of a Type 3 metering installation for active energy only.</p> <p>337 - A network operator must ensure that a metering installation on its network is operating consistently with good electricity industry practice to measure and record data, and permits the collection of data within the time specified in the applicable service level agreement, for at least the percentages of the year specified.</p> <p>341 - Subject to clause 3.11A(3), if a “population” of meters is deemed to have failed under AS 1284.13, the network operator must ensure that all of the meters in that population are removed and replaced with new meters within 3 years of testing of the population.</p> <p><b>Details:</b></p> <p>The results of the sample meter testing performed by Formway Group in 2011, for both single and three phase meters, were greater than the allowable accuracy limits, therefore the entire population of meters were deemed to have failed, excluding Landis &amp; Gyr EM3330 meters and Eister meters installed post January 2010.</p> <p>In 2015 and 2016 Horizon Power replaced electricity meters through the Meter Exchange Project. Through this project Horizon Power has now installed approximately 48,563 advanced meters.</p> <p>Through discussions with Manager Customer Service and Meter Services Manager it was confirmed that:</p> <ul style="list-style-type: none"> <li>• The AMI-exchange project was completed in December 2016.</li> <li>• As the process of replacement of current meters with AMI was still in progress during the audit period, Horizon Power concluded that it was operating non-compliant meters during the audit period and was therefore non-compliant with this obligation.</li> <li>• As at the end of the audit period, Horizon Power had 159 meters on its network which had not yet been exchanged. For</li> </ul>		<p>course of action proposed. In the meantime, Horizon Power will work with these customers where possible to seek resolution.</p> <p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> December 2017</p>
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	<p>the metering installations associated with these 159 meters, it was noted:</p> <ul style="list-style-type: none"> <li>o 46 are scheduled to be exchanged with an advanced meter;</li> <li>o 90 had been de-energized, supply abolished, or were scheduled to be de-energized/supply abolished; and</li> <li>o 23 were associated with customers who have refused to allow Horizon Power to exchange their current meter with an advanced meter despite Horizon Power's best endeavours to reach agreements to allow for the exchange. These 23 meters are not verified, may no longer be pattern approved, and have not been subsequently individually tested to identify whether these are meeting the accuracy requirements required of utility meters.</li> </ul> <p>The primary cause for all 23 non-compliant meters still in operation is, despite Horizon Power's best endeavours to reach agreements to allow for the exchange of the non-compliant meters, the customers associated with these meters have refused to allow Horizon Power to exchange the meters to the advanced meters.</p> <p>It was noted during fieldwork that Horizon Power submitted a revised Metrology Procedure and revised Mandatory Link Criteria to the Authority for review and approval on 12 April 2017, which is outside of this audit period.</p>		
7/2017	<p><b>Non Compliance</b> <b>Rating:</b> B / 2</p> <p><b>Legislative Obligation 386:</b> A network operator must, for each meter on its network, at least once in every 12 month period undertake a meter reading that provides an actual value that passes the validation processes in Appendix 2.</p> <p><b>Details:</b> Sample based testing of 15 regional customers identified one instance during the performance audit period, 1 April 2015 to 31 March 2017, where an actual meter reading for a non-advanced meter has not been performed at least once in a 12 month period. Horizon Power's advanced meters automatically send reads of the meter into the Meter Data Repository every 15 minutes which is uploaded into mData21 overnight and therefore does not require physical inspection of meters to prepare</p>	Regional Managers are to reinforce with staff the importance of following the process and to arrange training as required for using existing monitoring and reporting mechanisms to track outstanding must read service order due dates against actual service order completion dates.	Esperance depot has engaged contract resources to ensure annual reads for the 159 residual meters are captured in a timely manner. This arrangement will continue until such time as meter communications are at the point where manual meter readings are no longer required. There are no further non-compliant exchangeable residual meters in any other region apart from the Esperance region. All meters currently not exchanged in other areas, (and some in the



	<p>invoices unless the connection is lost from the meter for more than 12 months.</p> <p>Examination of a report generated from mData21 identified that actual reads taken during the audit period found 831 instances of periods between actual reads exceeding 12 months. Of the 831 instances, 25 instances where the period between actual reads exceeded 12 months occurring entirely within the audit period. It was noted that the overall trend of when the instances occurred was in decline, with the majority occurring before August 2016, prior to the completion of the AML project.</p> <p>It is noted that in response to similar breaches identified in the previous performance audit, Horizon Power proposed the following action plan in May 2015 for completion in September 2015 to ensure meter reading data is obtained as frequently as required to prepare its bills:</p> <ol style="list-style-type: none"> <li>1. Customer Service will continue with its existing continual process improvement methodology through weekly reporting and root cause analysis;</li> <li>2. Process enhancements will be implemented, if identified;</li> <li>3. Regional Managers are to reinforce with staff the importance of following the process.</li> </ol> <p>However, based on discussions with the Retail &amp; Community Manager (Gascoyne) it was determined that there was a lack of awareness of the current established procedural documentation in relation to performing estimated reads and manual actual reads for advanced meters in the regions. Additionally, there is capability to generate a reports to monitor must read service order due dates against actual service order completion dates, however the Regional Offices are not currently using these monitoring mechanisms.</p>		<p>Esperance Area), are not exchanged due to safety breaches, pending supply abolishment or the 23 customers who have refused the exchange.</p> <p><b>Action Plan:</b> Recommendation accepted and process has been reinforced in May 2017. This will be discussed again at a Regional Managers forum in Perth in August 17.</p> <p><b>Responsible Officer:</b> Manager Goldfields Esperance Business</p> <p><b>Due Date:</b> August 2017</p>
8/2017	<p><b>Non Compliance</b> <b>Rating:</b> A / 2</p> <p><b>Legislative Obligation:</b> 366 - A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network. 370 - The standing data for a metering point must comprise at least the items specified.</p>	<p>Management to consider the identified standing data items required under Table 2 at have been omitted from mData21.</p>	<p><b>Action Plan:</b> Horizon Power will provide the communication rules to the ERA for Approval by 31 October 2017 to remove, modify or add any requirement in clause 4.3(1) for standing data that is currently omitted from mData21.</p>

	<p><b>Details:</b></p> <p>Clause 4.3(1) of the Code requires that the standing data for a metering point must comprise at least the items specified in Table 2.</p> <p>It was identified during testing that mData21 does not contain all standing data items required under Table 2 'Description and designated source of standing data to be contained in the registry'. For example the length of network between the metering point and the substation it's not captured within mData21 or elsewhere within the organisation. The standing data items required under Table 2 identified as omitted from mData21 did not directly impact the customer.</p> <p>It was additionally noted during fieldwork that Horizon Power was in the process of drafting a set of Communication Rules. In assessing a recommended action plan, it was considered that in accordance with Clause 4.3(3) of the Code, Horizon Power may use its communication rules, once approved and published, to remove, modify or add any requirement in clause 4.3(1) for standing data.</p>		<p><b>Responsible Officer:</b> Manager Customer Service</p> <p><b>Due Date:</b> 31 October 2017</p>
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